

THE DEPARTMENT OF STATE



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THE
OFFICIAL
WEEKLY RECORD
OF
UNITED STATES
FOREIGN POLICY

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Program for the Near East

Address by President Eisenhower¹

Mr. President, Mr. Secretary-General, members of the General Assembly, and guests:

First, may I express my gratitude for the generosity of your welcome.

It has been almost 5 years since I had the honor of addressing this Assembly. I then spoke of atomic power and urged that we should find the way by which the miraculous inventiveness of man should not be dedicated to his death but consecrated to his life.² Since then great strides have been taken in the use of atomic energy for peaceful purposes. Tragically little has been done to eliminate the use of atomic and nuclear power for weapons purposes.

That is a danger.

That danger in turn gives rise to another danger—the danger that nations under aggressive leadership will seek to exploit man's horror of war by confronting the nations, particularly small nations, with an apparent choice between supine surrender or war.

This tactic reappeared during the recent Near East crisis.

Some might call it "ballistic blackmail."

In most communities it is illegal to cry "fire" in a crowded assembly. Should it not be considered serious international misconduct to manufacture a general war scare in an effort to achieve local political aims?

Pressures such as these will never be successfully practiced against America, but they do create dangers which could affect each and every

one of us. That is why I have asked for the privilege of again addressing you.

The immediate reason is two small countries—Lebanon and Jordan.

The cause is one of universal concern.

The lawful and freely elected Government of Lebanon, feeling itself endangered by civil strife fomented from without, sent the United States a desperate call for instant help. We responded to that call.³

On the basis of that response an effort has been made to create a war hysteria. The impression is sought to be created that, if small nations are assisted in their desire to survive, that endangers the peace.

This is truly an "upside down" portrayal. If it is made an international crime to help a small nation maintain its independence, then indeed the possibilities of conquest are unlimited. We will have nullified the provision of our charter which recognizes the inherent right of collective self-defense. We will have let loose forces that could generate great disasters.

The United Nations has, of course, a primary responsibility to maintain not only international peace but also security. But we must not evade a second fact, namely, that in the circumstances of the world since 1945 the United Nations has sometimes been blocked in its attempt to fulfill that function.

Respect for the liberty and freedom of all nations has always been a guiding principle of the United States. This respect has been consistently demonstrated by our unswerving adherence to the

¹ Made before the third emergency special session of the General Assembly of the United Nations on Aug. 13 (White House press release).

² BULLETIN of Dec. 21, 1953, p. 847.

³ For background, see *ibid.*, Aug. 4, 1958, p. 181.

principles of the charter, particularly in its opposition to aggression, direct or indirect. Sometimes we have made that demonstration in terms of collective measures called for by the United Nations. Sometimes we have done so pursuant to what the charter calls "the inherent right of collective self-defense."

I recall the moments of clear danger we have faced since the end of the Second World War—Iran, Greece and Turkey, the Berlin blockade, Korea, the Straits of Taiwan.

A common principle guided the position of the United States on all of these occasions. That principle was that aggression, direct or indirect, must be checked before it gathered sufficient momentum to destroy us all—aggressor and defender alike.

It was this principle that was applied once again when the urgent appeals of the Governments of Lebanon and Jordan were answered.

I would be less than candid if I did not tell you that the United States reserves, within the spirit of this charter, the right to answer the legitimate appeal of any nation, particularly small nations.

I doubt that a single free government in all the world would willingly forgo the right to ask for help if its sovereignty were imperiled.

But I must again emphasize that the United States seeks always to keep within the spirit of the charter.

Thus, when President Truman responded in 1947 to the urgent plea of Greece, the United States stipulated that our assistance would be withdrawn whenever the United Nations felt that its action could take the place of ours.

Similarly, when the United States responded to the urgent plea of Lebanon, we went at once to the Security Council and sought United Nations assistance for Lebanon so as to permit the withdrawal of United States forces.⁴

United Nations action would have been taken, and United States forces already withdrawn, had it not been that two resolutions, one proposed by the United States, the other proposed by the Government of Japan, failed to pass because of one negative vote—a veto.

But nothing that I have said is to be construed as indicating that I regard the status quo as sacrosanct. Change is indeed the law of life and of progress. But when change reflects the will of the

people, then change can and should be brought about in peaceful ways.

In this context the United States respects the right of every Arab nation of the Near East to live in freedom without domination from any source, far or near.

In the same context, we believe that the charter of the United Nations places on all of us certain solemn obligations. Without respect for each other's sovereignty and the exercise of great care in the means by which new patterns of international life are achieved, the projection of the peaceful vision of the charter would become a mockery.

The Problem of Lebanon

Let me turn now specifically to the problem of Lebanon.

When the United States military assistance began moving into Lebanon, I reported to the American people that we had immediately reacted to the plea of Lebanon because the situation was such that only prompt action would suffice.

I repeat to you the solemn pledge I then made. Our assistance to Lebanon has but one single purpose—that is the purpose of the charter and of such historic resolutions of the United Nations as the "Essentials of Peace" resolution of 1949⁵ and the "Peace Through Deeds" resolution of 1950.⁶ These denounce, as a form of aggression and as an international crime, the fomenting of civil strife in the interest of a foreign power.

We want to prevent that crime—or at least prevent its having fatal consequences. We have no other purpose whatsoever.

The United States troops will be totally withdrawn whenever this is requested by the duly constituted Government of Lebanon or whenever, through action by the United Nations or otherwise, Lebanon is no longer exposed to the original danger.

It is my earnest hope that this Assembly, free of the veto, will consider how it can assure the continued independence and integrity of Lebanon. Thus the political destiny of the Lebanese people will continue to lie in their own hands.

The United States delegation will support measures to this end.

⁵ For text, see *ibid.*, Nov. 28, 1949, p. 807.

⁶ For text, see *ibid.*, Nov. 13, 1950, p. 767.

⁴ For background, see *ibid.*, p. 186.

Jordan, Another Urgent Problem

Another urgent problem is Jordan.

If we do not act promptly in Jordan, a further dangerous crisis may result, for the method of indirect aggression discernible in Jordan may lead to conflicts endangering the peace.

We must recognize that peace in this area is fragile, and we must also recognize that the end of peace in Jordan could have consequences of a far-reaching nature. The United Nations has a particular responsibility in this matter, since it sponsored the Palestine armistice agreements upon which peace in the area rests and since it also sponsors the care of the Palestine refugees.

I hope that this Assembly will be able to give expression to the interest of the United Nations in preserving the peace in Jordan.

Question of Inflammatory Propaganda

There is another matter which this Assembly should face in seeking to promote stability in the Near East. That is the question of inflammatory propaganda. The United Nations Assembly has on three occasions—in 1947, 1949, and 1950—passed resolutions designed to stop the projecting of irresponsible broadcasts from one nation into the homes of citizens of another nation thereby “fomenting civil strife and subverting the will of the people in any state.” That was stated in the language of the resolution. We all know that these resolutions have recently been violated in many directions in the Near East.

If we, the United States, are one of those who have been at fault, we stand ready to be corrected.

I believe that this Assembly should reaffirm its enunciated policy and should consider means for monitoring the radio broadcasts directed across national frontiers in the troubled Near East area. It should then examine complaints from these nations which consider their national security jeopardized by external propaganda.

United Nations Peace Force

The countries of this area should also be freed from armed pressure and infiltration coming across their borders. When such interference threatens, they should be able to get from the United Nations prompt and effective action to help safeguard their independence. This requires that adequate machinery be available to

make the United Nations presence manifest in the area of trouble.

Therefore I believe that this Assembly should take action looking toward the creation of a standby United Nations Peace Force. The need for such a force is being clearly demonstrated by recent events involving imminent danger to the integrity of two of our members.

I understand that this general subject is to be discussed at the 13th General Assembly and that our distinguished Secretary-General has taken an initiative in this matter. Recent events clearly demonstrate that this is a matter for urgent and positive action.

Arab Development Institution

Now I have proposed four areas of action for the consideration of the Assembly—in respect to Lebanon, to Jordan, to subversive propaganda, and a standby United Nations force. These measures, basically, are designed to do one thing: to preserve the right of a nation and its people to determine their own destiny, consistent with the obligation to respect the rights of others.

This clearly applies to the great surge of Arab nationalism.

Let me state the position of my country unmistakably. The peoples of the Arab nations of the Near East clearly possess the right of determining and expressing their own destiny. Other nations should not interfere so long as this expression is found in ways compatible with international peace and security.

However, here as in other areas we have an opportunity to share in a great international task. That is the task of assisting the peoples of that area, under programs which they may desire, to make further progress toward the goals of human welfare they have set for themselves. Only on the basis of progressing economies can truly independent governments sustain themselves.

This is a real challenge to the Arab people and to all of us.

To help the Arab countries fulfill their aspirations, here is what I propose:

First—that consultations be immediately undertaken by the Secretary-General with the Arab nations of the Near East to ascertain whether an agreement can be reached to establish an Arab development institution on a regional basis.

Second—that these consultations consider the

composition and the possible functions of a regional Arab development institution, whose task would be to accelerate progress in such fields as industry, agriculture, water supply, health, and education, among others.

Third—other nations and private organizations which might be prepared to support this institution should also be consulted at an appropriate time.

Should the Arab states agree on the usefulness of such a soundly organized regional institution, and should they be prepared to support it with their own resources, the United States would also be prepared to support it.

The institution would be set up to provide loans to the Arab states as well as the technical assistance required in the formulation of development projects.

The institution should be governed by the Arab states themselves.

This proposal for a regional Arab development institution can, I believe, be realized on a basis which would attract international capital, both public and private.

I also believe that the best and quickest way to achieve the most desirable result would be for the Secretary-General to make two parallel approaches: first, to consult with the Arab states of the Near East to determine an area of agreement; then, to invite the International Bank for Reconstruction and Development, which has vast experience in this field, to make available its facilities for the planning of the organizational and operational techniques needed to establish the institution on its progressive course.

I hope it is clear that I am not suggesting a position of leadership for my own country in the work of creating such an institution. If this institution is to be a success, the function of leadership must belong to the Arab states themselves.

I would hope that high on the agenda of this institution would be action to meet one of the major challenges of the Near East, the great common shortage—water.

Much scientific and engineering work is already under way in the field of water development. For instance, atomic isotopes now permit us to chart the courses of the great underground rivers. The new horizons are opening in the desalting of water. The ancient problem of water is on the threshold of solution. Energy, determination, and science will carry it over that threshold.

Another great challenge that faces the area is disease.

Already there is substantial effort among the peoples and governments of the Near East to conquer disease and disability. But much more remains to be done.

The United States is prepared to join with other governments and the World Health Organization in an all-out, joint attack on preventable disease in the Near East.

But to see the desert blossom again and preventable disease conquered is only a first step. As I look into the future, I see the emergence of modern Arab states that would bring to this century contributions surpassing those we cannot forget from the past. We remember that Western arithmetic and algebra owe much to Arabic mathematicians and that much of the foundation of the world's medical science and astronomy was laid by Arab scholars. Above all, we remember that three of the world's great religions were born in the Near East.

But a true Arab renaissance can only develop in a healthy human setting. Material progress should not be an overriding objective in itself. It is an important condition for achieving higher human, cultural, and spiritual objectives.

But I repeat, if this vision of the modern Arab community is to come to life, the goals must be Arab goals.

Arms-Control Arrangements

With the assistance of the United Nations, the countries of the Near East now have a unique opportunity to advance, in freedom, their security and their political and economic interests. If a plan for peace of the kind I am proposing can be carried forward, in a few short years we may be able to look back on the Lebanon and Jordan crises as the beginning of a great new prosperous era of Arab history.

But there is an important consideration which must remain in mind today and in the future.

If there is an end to external interference in the internal affairs of the Arab states of the Near East—

If an adequate United Nations Peace Force is in existence—

If a regional development institution exists and is at work on the basic projects and programs designed to lift the living standards of the area—

Then with this good prospect, and indeed as a necessary condition for its fulfillment, I hope and believe that the nations of the area, intellectually and emotionally, will no longer feel the need to seek national security through spiraling military buildups. These lead not only to economic impotence but to war.

Perhaps the nations involved in the 1948 hostilities may, as a first step, wish to call for a United Nations study of the flow of heavy armaments to those nations. My country would be glad to support the establishment of an appropriate United Nations body to examine this problem. That body would discuss it individually with these countries and see what arms-control arrangements could be worked out under which the security of all these nations could be maintained more effectively than under a continued wasteful, dangerous competition in armaments. I recognize that any such arrangements must reflect these countries' own views.

Six-Point Program for Peace and Progress

I have tried to present to you the framework of a plan for peace in the Near East. It would provide a setting of political order responsive to the rights of the people in each nation; which would avoid the dangers of a regional arms race; which would permit the peoples of the Near East to devote their energies wholeheartedly to the tasks of development and human progress in the widest sense.

It is important that the six elements of this program be viewed as a whole. They are:

- (1) United Nations concern for Lebanon.
- (2) United Nations measures to preserve peace in Jordan.
- (3) An end to the fomenting from without of civil strife.
- (4) A United Nations Peace Force.
- (5) A regional economic development plan to assist and accelerate improvement in the living standards of the people in these Arab nations.
- (6) Steps to avoid a new arms-race spiral in the area.

To have solidity, the different elements of this plan for peace and progress should be considered and acted on together, as integral elements of a single concerted effort.

Therefore, I hope that this Assembly will seek simultaneously to set in motion measures that

would create a climate of security in the Near East consonant with the principles of the United Nations Charter and at the same time create the framework for a common effort to raise the standard of living of the Arab peoples.

Foreign Economic Development Activities

But the peoples of the Near East are not alone in their ambition for independence and development. We are living in a time when the whole world has become alive to the possibilities for modernizing their societies.

The American Government has been steadily enlarging its allocations to foreign economic development in response to these worldwide hopes. We have joined in partnership with such groupings as the Organization of American States and the Colombo Plan; and we are working on methods to strengthen these regional arrangements. For example, in the case of the Organization of American States, we are consulting now with our sister Republics of this hemisphere to strengthen its role in economic development. And the Government of the United States has not been alone in supporting development efforts. The British Commonwealth, the countries of Western Europe, and Japan have all made significant contributions.

But in many parts of the world both geography and wise economic planning favor national rather than regional development programs. The United States will, of course, continue its firm support of such national programs. Only where the desire for a regional approach is clearly manifested and where the advantage of regional over national is evident will the United States change to regional methods.

The United States is proud of the scope and variety of its development activities throughout the world. Those who know our history will realize that this is no sudden, new policy of our Government. Ever since its birth the United States has gladly shared its wealth with others. This it has done without the thought of conquest or economic domination. After victory in two world wars and the expenditure of vast treasure, there is no world map, either geographic or economic, on which anyone can find that the force of American arms or the power of the American Treasury has absorbed any foreign land or political or economic system. As we cherish our freedom, we believe in freedom for others.

A World Community of Open Societies

The things I have talked about today are real and they await our grasp. Within the Near East and within this Assembly are the forces of good sense, of restraint, and of wisdom to make, with time and patience, a framework of political order and of peace in that region.

But we also know that all these possibilities are shadowed, all our hopes are dimmed, by the fact of the arms race in nuclear weapons—a contest which drains off our best talents and vast resources, straining the nerves of all our peoples.

As I look out on this Assembly, with so many of you representing new nations, one thought above all impresses me.

The world that is being remade on our planet is going to be a world of many mature nations. As one after another of these new nations moves through the difficult transition to modernization and learns the methods of growth, from this travail new levels of prosperity and productivity will emerge.

This world of individual nations is not going to be controlled by any one power or group of powers. This world is not going to be committed to any one ideology.

Please believe me when I say that the dream of world domination by one power or of world conformity is an impossible dream.

The nature of today's weapons, the nature of modern communications, and the widening circle of new nations make it plain that we must, in the end, be a world community of open societies.

And the concept of the open society is the ultimate key to a system of arms control we all can trust.

We must, then, seek with new vigor, new initiative, the path to a peace based on the effective control of armaments, on economic advancement, and on the freedom of all peoples to be ruled by governments of their choice. Only thus can we exercise the full capacity God has given us to enrich the lives of the individual human beings who are our ultimate concern, our responsibility, and our strength.

In this memorable task there lies enough work and enough reward to satisfy the energies and ambitions of all leaders everywhere.

Thank you very much for your kind attention.

President Acknowledges Soviet Letter Accepting G.A. Session on Near East

Following is the text of a statement by President Eisenhower released by the White House on August 5, together with the text of a letter of August 5 to the President from Nikita Khrushchev, Chairman of the Council of Ministers of the Union of Soviet Socialist Republics.

STATEMENT BY PRESIDENT EISENHOWER

I welcome Mr. Khrushchev's agreement that the problems we have had under discussion in our recent exchange of letters should be placed again before the United Nations. I regret that he did not accept the Security Council with the Heads of Government present as the appropriate forum in view of his alleged concern over the threats to the peace. However, the General Assembly is completely acceptable, particularly since the United States previously proposed on July 18th such a procedure to the Security Council.¹

I am therefore instructing the United States Permanent Representative to the Security Council to move the previously presented United States resolution requesting that this matter be put before the General Assembly. This resolution has been held in abeyance in order to permit consideration of Mr. Khrushchev's proposals of July 19th,² 23rd,³ and 28th.⁴

PREMIER KHRUSHCHEV'S LETTER TO THE PRESIDENT

Unofficial text

DEAR MR. PRESIDENT: I received your message of 1 August.⁵ I am fully in agreement with the propositions stated in it about the significance of personal correspondence between the Heads of Government. Personal correspondence in our conditions must serve the principal objective which the peoples place before themselves—the

¹ For text of U.S. draft resolution, see BULLETIN of Aug. 4, 1958, p. 197.

² *Ibid.*, Aug. 11, 1958, p. 231.

³ *Ibid.*, p. 234.

⁴ *Ibid.*, Aug. 18, 1958, p. 275.

⁵ *Ibid.*, p. 274.

securing of peace and peaceful coexistence among states regardless of their social structure.

I am also in agreement with you that between us at present an unusual correspondence has taken shape. Understand me correctly, this unusual correspondence has been the result of unusual steps which were undertaken by the USA and Great Britain in the Near and Middle East. The USA and Great Britain disturbed peace in this region, having intruded with their troops in Lebanon and in Jordan. In your message you state that it is necessary to come to the assistance of the United Nations Organization and the Security Council in the situation that has come about in the Near and Middle East. You correctly say that the UN was born in the pangs of the Second World War; it is known that mankind tied its hopes for the preservation of peace to the work of the UN and its Security Council, which is called to bear the main responsibility for the maintenance of peace in the entire world. Proceeding precisely from the recognition of this role of the UN, the Soviet Government during the first days of the aggression of the USA and England against the Arab countries introduced into the Security Council the proposal about the withdrawal of the troops of the interventionists from Lebanon and Jordan and about the convocation of a Special Session of the General Assembly of the UN on this question. However, the United States, England and some other countries, belonging to the present membership of the Security Council, prevented the Council from adopting a decision directed towards normalizing the situation in the Near and Middle East. If one speaks frankly then it is necessary to admit that precisely the policy which the United States carries out and which Great Britain and, unfortunately, some other states, support, undermines this international organization and deprives the Security Council of the possibility of fulfilling its functions. One does not have to go far for examples. Didn't the USA order its troops to intervene in Lebanon circumventing the Security Council? Will you deny that the Government of the USA having landed its troops placed before the Security Council a *fait accompli*. Can you say that similar action strengthened the UN and the Security Council? If one looks at the membership of the Security Council in its present form, one automatically comes to the conclusion that under the pressure of the USA this organ has in fact been transformed into some sort of committee consisting principally of countries belonging to NATO, the Baghdad Pact, SEATO, and in which the place of the lawful representative of the great Chinese People's Republic is occupied by the representative of the political corpse Chiang Kai-shek.

The policy of ignoring the People's China—this is recklessness. This great power exists, is becoming stronger, and is developing regardless of whether it is recognized or is not recognized by some governments. If good sense won out and the Chinese People's Republic occupied its lawful place in the UN, this would be appraised properly by all peoples since the peoples understand that the Security Council and the United Nations Organization without the Chinese People's Republic cannot be a full-fledged effective organ in the matter of preserving peace and

insuring security as the charter of this Organization demands.

In this way a situation has arisen whereby the Security Council in fact is paralyzed and is not capable of taking any decision independent of the will of the United States of America which would actually facilitate the guaranteeing of peace in the entire world.

I would not want to enter into polemics with you at present but I cannot, nevertheless, pass by certain assertions in your message in which a distortion of the foreign policy of the Soviet Union and its objectives is permitted.

You state, for example, that supposedly the Soviet Union has imposed its political domination over the countries of Eastern Europe. This statement, of course, does not surprise us, which, however, does not have any basis under it. We already have heard all of this more than once from the Secretary of State of the USA, Dulles. But by frequent repetition of assertions of this type they do not become one bit convincing. The peoples of Eastern Europe freely selected their present way of life and will not permit anyone to change it. You have repeatedly made statements about your support of small nations. But if one is to be consistent, then you must in fact recognize the right of peoples to take independent decisions and to establish such a state structure which would answer their interests. But, of course, this is not so in practice. As soon as any change takes place which leads to the disturbance of the order of things suitable to the Government of the USA, these changes are represented by you as something perpetrated not by the will of the peoples but by somebody else's will.

But is it possible to close one's eyes to the fact that we live in the epoch of great revolutionary changes, in the epoch of the reconstruction of the social structure on new principles. This wave which arose in the Soviet Union now acquires a still more mighty scope. It has taken hold of China, the countries of Eastern Europe, Northern Korea, Northern Viet-Nam. Simultaneously the peoples of many countries of Asia and Africa, which had been cruelly oppressed by the imperialist powers, acquired their national independence in the struggle with their own and foreign oppressors. The peoples of a number of other countries of these continents of the globe are carrying on a national-liberation struggle and there is no doubt that they will achieve victory and no foreign bayonets of colonizers can prevent this because an end has come to colonialism. Such is the inevitable course of history, such is the will of the people.

No state, if it in fact intends to show concern about the independence and security of small countries, can appropriate for itself the right of interfering in the affairs of these countries and with this purpose to announce various kinds of "doctrines". But in this case on what basis has the Government of the USA announced the doctrine bearing your name and is it interfering in the affairs of the countries of the Near and Middle East? When the people of Lebanon, for example, exasperated by the policy of their President, who had become a servant of the United States of America and not the servant of his own people, demanded his removal then it was enough for this President, who had lost the confidence of the people, to

turn to you in violation of the Constitution of his own country for the Government of the USA to put into motion the American Sixth Fleet, to throw its air-borne forces into Lebanon and to begin to bring "order" there in accordance with the said doctrine.

The English Government headed by Mr. Macmillan utilized a reference to the request of the King of Jordan, who does not have any support from his own people, in order to interfere with its armed forces in the internal affairs of Jordan.

Some in the United States of America up until the present boast that the Government of the USA interfered in the affairs of Guatemala and expelled from there the legally elected government and president. Does this really also correspond to your understanding of concern about small countries and respect for their independence and dignity?

If this is so, Mr. President, in such a case we have different understandings of the rights of small nations. In the universally accepted political language such actions of the Government of the USA are a flouting of the rights of small peoples and imposition upon them of one's own dictate against which the peoples of all countries on whose independence the United States of America and Great Britain are encroaching are also carrying on a stubborn struggle.

If one would recall other facts of this type, even without looking into the distant past, in fact the entirely recent case of the landing of American troops on Cuba, then it would be necessary to speak a great deal about this and the message undoubtedly would expand.

I cannot but refer to your evaluation of events in the Near and Middle East. You aver that the problem of the Middle East is not a question of aggression on the part of the USA, but rather a question of indirect aggression. This means, Mr. President, that in speaking about some indirect aggression, evidently just as we and the preponderant majority of the other countries regard the introduction of foreign troops on foreign territory as an act of direct aggression. Against this no objection can be raised.

That is why the introduction of American troops into Lebanon and of English troops into Jordan is justly regarded in the whole world as direct aggression. As for the allusions which you make in your message to some indirect aggression, one cannot but consider the reference to this imaginary danger as an attempt to conceal the direct aggression of the USA.

Besides, the assertions about indirect aggression allegedly threatening Lebanon have been refuted by two well-known reports of the UN Observers specially sent by the Security Council to Lebanon.

In these circumstances, it is not understandable to us, Mr. President, with what right the Government of the USA takes upon itself the role of an arbiter and judge and asserts that some kind of indirect aggression has taken place in Lebanon. That is why it seems that you do not recognize the right of the peoples of the Near and Middle East to look after their own fate and the organization of their states on a basis which corresponds to the interests of those peoples. You, Mr. President, are falling into direct contradiction with your

assertions about respect for the aspirations, dignity, and security of small countries.

The whole world knows that the internal events in Lebanon, Iraq, and Jordan are an expression of the anger of the peoples of those countries, who have become indignant against an order foisted on them by the imperialistic colonialists. In Iraq, there was an uprising by the people for whom it became intolerable to endure the oppression and outrages of the lackeys of foreign states. Now, the USA and other Western Powers have recognized the Republican Government of Iraq. As a result, you and your allies, Mr. President, have recognized that the Iraqi people had the right to change the order which existed.

In this way, your assertions about some indirect aggression do not have any foundation; they divert from the real aggression which is taking place in the Near and Middle East and which is being committed by the USA and England.

We regret, Mr. President, that you do not agree to the carrying out of a conference of the Heads of Government in Moscow and, in this, have referred to the angry demonstrations, which took place near the US Embassy, of the inhabitants of Moscow against the American armed intervention in Lebanon. This demonstration was a perfectly natural manifestation of the sympathies of the Soviet people for victims of an aggression. Your reference to this case appears all the more unconvincing inasmuch as the Government of the USA up to the present time has itself refused to adopt measures to assure normal conditions for work to the Soviet Delegation to the UN and have not put an end to the systematic provocative activities of certain elements in New York against the Delegation of the USSR, which, of course, could not but exert an influence on the feelings of the Soviet people who gathered at the demonstration.

Our people, Mr. President, did not start such demonstrations. It would be a good thing if such manifestations were stopped. Our people would assess this at its true worth.

I would like to note that our people correctly assess events and well distinguish the actions of hired hooligans against the Soviet Delegation in New York from the true feelings of the American people. We nurture the most friendly feelings towards the people of the USA and aspire to develop between our countries broad cultural and economic ties. We want our peoples better to know each other and to make joint efforts for the preservation and strengthening of peace, for the liquidation of the estrangement between countries, and for having all states live with each other on the basis of genuine good neighborliness. The attitude of Soviet individuals towards the American people is well known. It may be recalled that in the days when irresponsible elements, hired by money from well-known funds, established for subversive work against states not entering into aggressive blocs, in which the USA plays the leading role, were committing outrages at the building of the Soviet Delegation in New York, American scientists, specialists, sportsmen, tourists, and also the well-known public figure of the USA, Mr. Adlai

Stevenson, were being received in the USSR with the cordiality and hospitality customary for Soviet people.

I now want to turn to the main thing, which should, in the given case, be the only subject of our present correspondence—now more quickly to adopt effective measures for the liquidation of the armed intervention of the USA and England in the Near and Middle East.

You consider that it is necessary to entrust the examination of this question to the UN Security Council. Unfortunately, as I already noted above, the position into which the Security Council has been put at the present time, when it has in practice been subordinated to the foreign policy of the USA, and when the majority of the representatives in it from different countries are not free to undertake anything that would diverge from the position of the USA, does not permit us to recognize your proposal as correct. The policy of the USA in regard to the Security Council undermines its opportunity to adopt effective measures in the defense of peace and for stopping aggression. It is killing the effectiveness of the Security Council as an instrument of peace.

The United Nations Organization and its Security Council are necessary international organs and they must express the peace-loving hopes of the peoples. However, the Government of the USA is using the Security Council for its selfish interests through the representatives of countries which enter into military blocs wherein the USA occupies the dominating position. In essence, the United States of America is trying to reduce the Security Council to the position of a subsidiary organ of the US State Department. How can one close one's eyes to the real situation and not take account of the fact that the Security Council with its present membership is not in a position to draw objective conclusions on the question of the situation in the Near and Middle East.

No, Mr. President, the interests of the preservation of peace in the whole world and the strengthening of security demand from us a sensible approach which would give an opportunity to adopt a positive solution and which would assure peace.

From the first days of the American-English intervention in the Near and Middle East, the Soviet Union has come out in favor of the adoption of immediate measures to stop the aggression, to have foreign troops withdrawn from Lebanon and Jordan, to prevent the extension of the intervention, and to liquidate the dangerous tension created by the actions of the USA and England. To these ends, we proposed the convening of a conference of the Heads of Governments of five powers—the USSR, USA, England, France, India, with the participation of the Secretary-General of the UN, Mr. Hammarskjöld. We regret that you and Mr. Macmillan have not considered it possible to accept this proposal of ours, in view of which the question of the convening of a conference of the Heads of Government of the five powers with the participation of the Secretary-General has not received a positive answer.

Although the Governments of the USA and Great Britain have made impossible the convocation of a conference of the five powers and bear the direct responsibility for this, it can now be stated with all positiveness that the demands of the peoples for the immediate con-

vocation of such a conference for the purpose of stopping armed intervention in Lebanon and Jordan, and the determination of peace-loving states to put an end to aggression in the Near and Middle East, have compelled the initiators of armed intervention to refrain at the present stage from the extension of aggression against other countries, first of all against the Iraq Republic and UAR. For this reason it is not by chance that the Western Powers, among them the USA and England, were obliged to recognize the Iraq Republic, the appearance of which the aggressors at first portrayed as a threat to peace in the Near and Middle East. This, however, does not signify that the danger of the extension and exacerbation of the conflict in this region has been removed and that the security of the Iraq Republic and of other Arab States is assured. So far the troops of the interventionists have not been withdrawn from Lebanon and Jordan. In addition, new contingents of foreign troops are arriving in this area and new military measures are being carried out in the countries of the Baghdad Pact.

The question of the complete cessation of armed intervention in the Near and Middle East and of the establishment there of conditions which would free the peoples of that area from foreign interference, as before, demands immediate solution. Foreign troops must be withdrawn from Lebanon and Jordan forthwith because their presence there is a constant threat to the peace and independence of the peoples, a scandalous violation of the Charter of the UN to which not one state which is a member of the United Nations Organization can reconcile itself.

Under these conditions the Soviet Government considers it necessary to continue its efforts for the preservation and strengthening of peace in the Near and Middle East. Inasmuch as the Governments of the USA and Great Britain evaded the convocation of a conference of the Heads of Government of the five powers, and the Security Council, as we have already noted, has shown itself incapable of assuring a solution of the question of the situation in the Near and Middle East in the interests of peace, the Government of the Soviet Union with the aim of speediest adoption of the necessary measures for stopping the aggression instructed its representative at the UN to demand the convocation of a Special Session of the General Assembly of the UN for the discussion of the question of the withdrawal of the troops of the USA from Lebanon and troops of Great Britain from Jordan. The Soviet Government hopes that the consideration of that question in the General Assembly, in which there are represented large as well as small states, will permit finding of a way to liquidate the war danger created in the Near and Middle East by the actions of the USA and England and bring tranquillity to that area.

Mr. President, I think that you will agree with me that in connection with the events in the Near and Middle East which have faced the world with the threat of general war with all its countless calamities for the peoples the question has especially sharply arisen of creating the conditions for the peaceful coexistence of states and the liquidation of the "cold war" which has poisoned the entire international situation. The Soviet Union and all peace-loving countries seek the coming of such a time

when no great power can commit aggression even against a small power. The aggression of a small country against a great power is in general not possible. A small country does not have those divisions about which you speak in your letter, Mr. President. It is necessary for us to take into account real conditions and possibilities. A world war cannot be unleashed by a small country, but by a great power which has many divisions and many atomic and hydrogen arms, which has many missiles, bombers and other means of destruction. For precisely this reason the great powers should agree not to take steps which would place the world on the brink of military catastrophe. The Soviet Government believes that it is necessary to develop in every way contacts and ties between the statesmen of all countries. Personal meetings of the leaders of states can reduce existing tension, facilitate the creation of trust and mutual understanding between states and aid in a more rapid thawing of the ice of "the cold war". We ascribe an especially great significance to such contacts and, as you know, even in December of last year proposed the convocation of a conference of statesmen at the highest level. We are convinced that a conference at the highest level with the membership which we have previously been proposing would aid, with effort on the part of its participants, in finding ways and means of liquidating the condition of "cold war", and make impossible the emergence of a hot war.

Let us do everything necessary so that such a meeting, which is awaited by all peoples, is not postponed until eternity. We await your agreement with our proposal on a conference at the highest level and are ready to take part in such a conference at any time. The speediest possible convocation of a conference at the highest level is in the interests of all states, large and small.

In conclusion I would like to express the hope that the Government of the USA will support the proposal for the convocation of a Special Session of the General Assembly of the UN, which could be a good step towards the relaxation of tension and would prepare the ground for the speeding of a meeting at the Summit.

Respectfully,

N. KHRUSHCHEV

August 5, 1958

His Excellency

DWIGHT D. EISENHOWER,

President of the United States of America,
Washington, D. C.

Letters of Credence

United Arab Republic

The newly appointed Ambassador of the United Arab Republic, Mustafa Kamil, presented his credentials to President Eisenhower on August 11. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 458.

Venezuela

The newly appointed Ambassador of Venezuela, Marcos Falcón Briceño, presented his credentials to President Eisenhower on August 14. For texts of the Ambassador's remarks and the President's reply, see Department of State press release 466.

10th Anniversary of Independence of Republic of Korea

Following is the text of a message from Secretary Dulles to the Korean people on the occasion of the 10th anniversary of the independence of the Republic of Korea, August 15, 1958 (press release 468 dated August 14).

I welcome this opportunity to extend greetings to the Korean people. The Republic of Korea was founded 10 years ago today under the auspices of the United Nations. It reflects your great desire for freedom and independence and your willingness to sacrifice for it.

I recall with great satisfaction that it fell to my lot as a U.S. delegate to the United Nations General Assembly in 1948 to help to secure the adoption by the General Assembly of its resolution recognizing that the Government of the Republic of Korea was a lawful government, based on elections which were a valid expression of the free will of the electorate, and that your government was the *only* such government in Korea.¹ It was on the basis of that U.N. resolution that the U.S. Government promptly thereafter extended full recognition to the Government of the Republic of Korea.

The re-creation of the independent nation of Korea has required valiant effort, and even so Korea still unhappily remains divided.

Every day of the 10 years that have elapsed since the foundation of your new republic has been a day of peril and of struggle against the forces of Communist imperialism. During 3 of those 10 years there was open warfare which inflicted immense losses upon your people and upon your nation. You have survived this struggle and have maintained your independence because you have had vigorous and courageous leadership and be-

¹ For text of U.N. resolution, see BULLETIN of Dec. 19, 1948, p. 760.

cause your people have been dedicated to freedom and have been willing to struggle and sacrifice to retain it.

Also, you have had friends. The U.S. has tried consistently to play the part of a friend, and we have ourselves accepted heavy sacrifice to help your republic to maintain its freedom when it was subjected to armed aggression.

I recall that on June 19, 1950, I addressed your National Assembly.² I said then that you did not stand alone, that within the free world there were compulsions to common action which flowed from a profound sense of common destiny.

Within a week the Communist aggressors from the North had struck. And they discovered to their dismay that you indeed did not stand alone. Many nations including the United States came to your assistance, and as a result the aggressors were thrown back to and behind their point of beginning.

Now there is an armistice which enables you to make progress in the economic, cultural, and spiritual rehabilitation of your nation, or at least that portion of it which is free.

To achieve in peace the reunification of Korea must remain a basic purpose of your own Government, of your allies. And indeed it is a purpose to which all the United Nations are solemnly pledged. So, as we celebrate the 10th anniversary, may it be not only to look backward but also to rededicate ourselves to the achievement of the peaceful reunification of your homeland.

Asian Water-Resources Experts To Tour United States

The Department of State announced on August 15 (press release 470) that a group of water-resources experts from 12 Far Eastern countries arrived at Washington on that day to start a 3-week study tour of development projects in the United States. The 12 experts are from Japan, the Republic of China, Burma, Ceylon, India, Indonesia, the Republic of Korea, the Federation of Malaya, Pakistan, the Republic of the Philippines, Thailand, and Viet-Nam. An expert from Nepal will join the group later.

The tour, which later will include Europe, has been arranged by the United Nations Technical

Assistance Administration and the United Nations Economic Commission for Asia and the Far East, with the International Cooperation Administration as host during the 3 weeks in the United States.

The 12 experts will visit American water-resources development projects at Knoxville, Tenn.; Jackson, Miss.; Denver, Colo.; Las Vegas, Nev.; Chicago, Ill.; Buffalo, Potsdam, and New York, N. Y., before going on to Europe to be the guests of Austria, France, Germany, and the Netherlands on visits to water-resources development projects in those countries.

All of the men are leading experts of their respective countries in the development of water resources, a field that is becoming increasingly important in the Far East. The tour was arranged as a result of the recent regional conference of ECAFE on water resources at Manila, since the possibilities of several large development projects in Asia are now being explored, notably the Mekong River Basin program in Viet-Nam, Thailand, Laos, and Cambodia.

U. S. To Consider Institution for Inter-American Development

Statement by Under Secretary Dillon¹

As you are aware, the United States Government for some time has been giving unceasing attention to the economic problems of Latin America. Visits have been made to the area during the past year by the Vice President, by Secretary of the Treasury Anderson, by Dr. Milton Eisenhower, and, most recently, by Secretary Dulles.

As a result of the reports made by these representatives of the Government of the United States and our coordinated studies of the economic problems of the area, the Secretary has now authorized me to report to you that the United States Government is prepared to consider the establishment of an inter-American regional development institution which would receive support from all its member countries.

After the necessary preparatory steps have been

¹ Made before the Inter-American Economic and Social Council of the Organization of American States at Washington, D. C., on Aug. 12 (press release 463).

² For text, see *ibid.*, July 3, 1950, p. 12.

completed, including consultation with the other American Republics, the United States will be prepared to discuss the organization and responsibilities of such an institution at a mutually convenient meeting under the auspices of the Organization of American States.

Argentine Foreign Minister Reaffirms Hemispheric Unity

Press release 467 dated August 14

Following is the text of a translation of a letter to Vice President Nixon from the Minister of Foreign Relations and Worship of Argentina.

BUENOS AIRES, June 14, 1958

MY DEAR MR. VICE PRESIDENT: I am happy to reply to the message you sent me¹ following your well-remembered visit to this city.

Our close personal contact and your cordiality, as shown in long conversations, have led me to believe, quite apart from the formalities of protocol, that the relationship between your country and mine, based on the principles which we hold in common, is essential to the future of the Americas.

I wish to express appreciation for your good wishes and I can assure you that I shall endeavor to make your generous predictions come true. I, for my part, basing myself on what I have seen of you and heard from you, wish you every success and I am absolutely certain that your success will effectively serve the common inter-American cause which we both hold dear.

I feel confident that the bonds that have always existed between Argentina and the United States will be gradually strengthened, through a common, determined effort to settle the important problems in which we are both interested, in spite of obstacles that are at times more apparent than real, and that we shall thereby attain a synthesis of all that is best in the Americas, in behalf of peace, solidarity and the progress of our peoples. Accordingly, I take the liberty of recalling to you the thought that motivates our Government, which was clearly stated by the then President-elect, Dr. Arturo Frondizi, in the memorable session at Rio de Janeiro on April 9, 1958. This thought affirms the fundamental solidarity of the Americas, based on our common beginnings,

¹ Not printed.

through the discovery of America, and on the similar vicissitudes through which we have passed in order to gain freedom, independence, and the fulfillment of our national destiny, without failing to recognize that in spite of that hemisphere unity, while one portion of the hemisphere is fully developed there is another portion in which the inhabitants do not enjoy the fruits of culture, technology, and prosperity. And we are convinced, Mr. Vice President, that if all the Americas are to fulfill in every way their manifest destiny, *rapprochement* and a synthesis, on a concrete and effective basis, of all that is best in them is absolutely essential.

In conclusion, I send greetings from my wife to Mrs. Nixon, and I beg you both, you who lent a note of American charm and gaiety to the inauguration ceremonies, to accept respectful and cordial greetings from

CARLOS ALBERTO FLORIT

The Honorable

RICHARD NIXON,

*Vice President of the United States of
America,
Washington*

U.S. Cites Circulation of Forgery by U.A.R. Officials

Following is a Department statement released on August 8 (press release 457).

It has come to the Department's attention that officials of the United Arab Republic in various foreign countries are circulating a forged "document" described as a statement of United States policy toward the United Arab Republic. This alleged "circular letter," published in certain Cairo newspapers, purports to set forth steps hostile to the United Arab Republic being planned by the United States.

A copy of a Cairo newspaper which published photographs of this "document" has now arrived in Washington and it has been possible to make a study of it. That the "document" is a complete fabrication should be obvious from the fact that its substance does not reflect United States policy toward the United Arab Republic. Moreover, its fraudulent nature and the crudeness of the forgery are further revealed by the following:

1) The "circular letter" dated April 17, 1958, is labeled "Confidential—Security Information," a

security classification which was discontinued on November 10, 1953.

2) Although the "document" purports to be a telegram, the body of the "document" refers to it as a "circular letter." The Department uses a form of correspondence called a "circular instruction," but it is not transmitted telegraphically. In the Department's nomenclature, there is no such thing as a "circular letter."

3) The purported numbering of the "circular letter" bears no relationship to the numbering series presently in effect for State Department communications to diplomatic and consular posts abroad. For instance, this "document" is numbered "Circular 11, April 17, 1958." Under the Department of State system, the numbers begin anew with each fiscal year. The real Circular 11 for the period July 1, 1957, to June 30, 1958, was sent on July 20, 1957.

4) This forgery was typed on a blank form of a type no longer used in American Embassies abroad. It was replaced by a new form in August 1955. The present form carries at its head: "Incoming Telegram—The Foreign Service of the United States of America." The location of the Embassy must be typed in. The form on which this forgery was typed bears the legend: "Incoming telegram—American Embassy, Baghdad."

5) Official messages transmitted to United States diplomatic and consular representatives abroad are signed in the name of the Secretary of State and not by other officials, whereas the forged "document" bears the name of an Assistant Secretary of State.

Final Agreement Signed for Suez Canal Compensation

The International Bank for Reconstruction and Development announced on July 16 that the final agreement providing for compensation arising out of the decree of the Egyptian Government nationalizing the Suez Canal was signed on July 13, 1958, at the Palais des Nations, the European Office of the United Nations, in Geneva.¹

The agreement was signed by Governor Abdel Galil El Emary on behalf of the Government of the United Arab Republic (as successors to the

Egyptian Government); by Jacques Georges-Picot, chairman, on behalf of the Compagnie Financière de Suez (as successors to the Compagnie Universelle de Canal Maritime de Suez); and by W. A. B. Iliff, vice president, on behalf of the International Bank.

Views Invited on GATT Talks on Import Restrictions

Press release 462 dated August 12

DEPARTMENT ANNOUNCEMENT

The Committee for Reciprocity Information on August 12 issued public notice that it invites submission of views in connection with U.S. participation in consultations to be held at Geneva this fall under the provisions of article XIV of the General Agreement on Tariffs and Trade (GATT). The consultations, to be conducted during the 13th session of the GATT starting October 16, will center around the application of import restrictions maintained for balance-of-payments reasons by certain of the GATT Contracting Parties. It is expected that the consulting countries will be the following:

Australia	Malaya
Ceylon	Federation of Rhodesia and Nyasaland
Ghana	United Kingdom

The GATT, an agreement designed to promote mutually advantageous trade among nations, is adhered to by 37 countries which together conduct over 80 percent of world trade. U.S. participation in the GATT stems from the authority of the President to enter into trade agreements under the Trade Agreements Act, as amended.

The consultations will afford an opportunity for the Contracting Parties to the GATT to review the economic and financial situation of the above consulting countries individually. In this context it is intended to explore the opportunities for further relaxation of import restrictions, as well as the possibilities of moderating particular policies and practices that have proved unduly burdensome for U.S. exporters. Although only six countries are consulting this year, more countries will be consulting next year and in following years as a result of certain revisions in the GATT which have recently come into force.

Written statements setting forth trade prob-

¹ For text of Heads of Agreement signed at Rome on Apr. 29, see BULLETIN of June 30, 1958, p. 1097.

lems in the countries listed above should be submitted to the Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D. C., by September 15, 1958. To insure their most effective use, statements should be as completely documented as possible and include specific details.

The Committee for Reciprocity Information is an interagency group within the U.S. Government established to receive the views of interested persons regarding proposed trade agreements or actions to be taken under existing agreements. The committee consists of a member of the U.S. Tariff Commission and also of representatives from the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, and Interior, and the International Cooperation Administration.

NOTICE FOR PUBLIC VIEWS

NOTICE FOR PUBLIC VIEWS BY THE COMMITTEE FOR RECIPROCITY INFORMATION

August 12, 1958
concerning

Consultations with certain contracting parties to the General Agreement on Tariffs and Trade regarding the application of quantitative import restrictions imposed for balance-of-payments reasons, under Article XIV of the General Agreement.

Submission of information to the Committee for Reciprocity Information regarding these consultations.

Closing date for submission of written statements, September 15, 1958.

It is the intention of the Contracting Parties to the General Agreement on Tariffs and Trade to enter into consultations with certain of the parties regarding their application of quantitative import restrictions imposed for balance-of-payments reasons, under Article XIV of said Agreement. Article XIV of the GATT, including also Annex J, allows the application in certain instances of discriminatory import restrictions for balance-of-payments reasons, provided the restrictions satisfy the criteria or rules laid down in the article and Annex respectively. Paragraph 1 (g) of Article XIV requires countries maintaining discrimination under Annex J to consult with the Contracting Parties annually regarding these restrictions.

The consultations with countries utilizing Annex J will be conducted separately for each consulting country, in Geneva, Switzerland, during the Thirteenth Session of the Contracting Parties, to be convened on October 16, 1958. The consulting countries are expected to be:

Australia	Malaya
Ceylon	Federation of Rhodesia and Nyasaland
Ghana	United Kingdom

During each consultation, the Contracting Parties will (1) review the country's financial and economic situation and, (2) in this context, discuss the opportunities for further relaxation of the level of its import restrictions, including a lessening of the discriminatory application of these restrictions, as well as explore the possibilities for moderating particular policies and practices which are especially burdensome to exporters.

American traders, business firms, labor organizations and other individuals or associations, which have an interest in exporting to one or more of the consulting countries may, as a result of their own experience, have information relating to (2) above which will be useful to the U.S. Government during the course of the consultations.

The following list includes examples of the type of information that interested persons may wish to submit in response to this invitation:

1. Information indicating that discrimination in the treatment of goods available from the United States has resulted in unnecessary damage to the commercial or economic interest of the United States, its citizens or organizations;

2. Information indicating that not even minimum commercial quantities of imports of specific commodities from the U.S. are permitted, to the impairment of regular channels of trade;

3. Information indicating that trade is being restrained by complex or arbitrary licensing procedures, or lack of adequate information available to traders regarding import regulations;

4. Information indicating that reasonable access to a traditional foreign market has not been restored for a particular commodity, even though the country concerned has substantially relaxed its restrictions on imports in general;

5. Information indicating that the long-standing application of import restrictions by a country on a particular product has been accompanied by the growth of uneconomic output of that product within the country;

6. Information indicating discrimination in the treatment of goods available from the United States as compared with the treatment afforded similar goods from other countries with convertible currencies.

In order to permit adequate consideration of views and information, it is requested that all responses be submitted to the Committee for Reciprocity Information by September 15, 1958. Information coming to the attention of interested parties after this date also may be submitted to the Committee, however, and it will be considered to the extent time permits.

All communications on this matter, in fifteen copies, should be addressed in a written statement to: The Secretary, Committee for Reciprocity Information, Tariff Commission Building, Washington, D.C. Views may be submitted in confidence, if desired.

By direction of the Committee for Reciprocity Information this 12th day of August, 1958.

EDWARD YARDLEY

Secretary

Committee for Reciprocity Information

United Nations Economic and Social Council

Following are the texts of statements made at the 26th session of the U.N. Economic and Social Council at Geneva, Switzerland, by Christopher H. Phillips, U.S. Representative on the Council, and by Walter M. Kotschnig, Deputy U.S. Representative.

STATEMENT BY MR. PHILLIPS ON THE WORLD ECONOMIC SITUATION, JULY 7

Our common objective in the Economic and Social Council is a dynamic one—economic and social progress in an expanding world economy. Since World War II this objective has been realized to an unprecedented extent. During this period the world economy gave a striking demonstration of its power to support larger numbers of people at higher standards of living than ever before.

Of course, complex and difficult problems continued to face all countries—those in the full tide of economic expansion as well as those striving to develop modern productive systems; nevertheless, impressive economic gains were achieved despite the damage and dislocation inherited from the war and the heavy burden on defense, which, unfortunately, had to be assumed by free peoples in the face of continuing international tensions.

Economic growth brings change, and change is never uniform in pace or in its application. Different sectors of an economy are differently affected by the development of new products and techniques, by shifts in demand for different commodities and services, and by other factors which induce changes in the economic structure. While some industries are advancing, others may for a time lose their momentum and even recede. As a result, an economy which is pursuing a long, upward trend grows at an uneven pace and even sustains occasional setbacks. This experience is

typical of an expanding free-enterprise economy, such as the United States, where economic activities reflect the independent judgment and decisions of millions of people.

The centrally planned economies have been far from achieving smoother economic progress. Since the war we have seen the emergence in the countries of Eastern Europe of substantial discrepancies among the various sectors of the economy. Severe bottlenecks have hampered growth; shortages of raw materials, food, and power have resulted in rationing and other restrictions; overemphasis on the production of investment goods has caused serious difficulties. The difficult problems encountered in agriculture in the Soviet Union have produced widespread strains and maladjustments.

Thus, temporary breaks in the line of economic progress have characterized the history of economic development everywhere. A recent example is the temporary break in economic expansion in the United States that has occurred in the last several months.

In this situation the *World Economic Survey for 1957*¹ performs two important functions. First, it throws further light on the problem of inflation, which, although varying in intensity and taking different forms in different countries, has been on the world economic scene constantly during the postwar period. Second, it presents an informative analysis of the current economic situation in the light of the recent slackening of economic activity in a number of countries.

Problems of Inflation

The comprehensive examination of the problem of inflation is, of course, in compliance with the

¹ U.N. publication 1958.ILC.1 (U.N. doc. E/3110).

request of the Council at last summer's session. In making this request, the Council recognized that the problem was a persistent one which demanded continuing attention. The fact that inflationary pressures have abated in some parts of the world does not lessen the need for better understanding of the nature, causes, and effects of inflation and the ways and means of checking it. Part I of the survey should contribute materially to this understanding. For carrying out this difficult task, the Secretariat merits our thanks.

May I take this opportunity, Mr. President, to emphasize that the American people remain acutely sensitive to the dangers of inflation. One of the most serious threats to a healthy recovery would be a recurrence of general price increases. The central aim of our domestic economic policy, therefore, is to promote the resumption of economic growth without reviving inflationary pressures.

Inflation has been one of the world's major economic problems since the war. It has varied in intensity from its more acute phases during the postwar reconstruction and the Korean struggle to the relatively modest proportions of recent years. In some countries it has continued with little interruption; in others its course has been much more broken. By and large, however, it has been a persistent and pervasive feature of the postwar world economy. As pointed out in the Secretariat's report, the planned economies have also been subject to inflationary pressures similar to those encountered in private-enterprise societies.

Although inflation in industrial countries in the recent past has generally been so moderate as to be characterized as "creeping," it has given rise, as I have already indicated, to much public anxiety. People in many countries now recognize that inflation can accelerate from a creep to a gallop. They are aware that, even if kept to a moderate pace, inflation may have cumulative effects which could become substantial. They are fearful of a gradual erosion of the value of money which could endanger personal security, diminish incentives to save, distort production, and impair the growth of the economy. They have seen inflation lead to heavy losses of foreign-exchange reserves.

The survey examines in detail the nature and causes of creeping inflation. It finds it different from the more rapid inflation of earlier years. The distinction between these two types of infla-

tion—labeled *demand* inflation and *cost* inflation—is by no means a sharp one. Nevertheless, as the Secretariat emphasizes, the creeping inflation of recent years has been associated, not with the abnormal forces of war and postwar readjustment but with peacetime economic growth. This circumstance has given renewed impetus to detailed study of the inflationary process in all its forms and complexities.

Postwar inflation in the underdeveloped countries has generally proved to be a more severe and intractable problem than in the industrial countries. Often it has stemmed from an effort to accelerate the pace of economic growth more rapidly than available resources would permit. Where domestic savings and outside capital have failed to provide the resources desired for development, governments have turned to the printing press or bank credit. Sometimes people have been ready to incur the economic and social costs of inflation if, by so doing, they could purchase more rapid economic progress. There might be merit in this attitude if economic development could, in fact, be achieved through inflation. But the lessons of experience afford no comfort to those who contemplate inflation as an instrument of economic development.

The relative merits and effectiveness of fiscal and monetary controls and of general, as compared with selective, credit controls in dealing with the inflationary pressures have long been matters of controversy. Our own approach in the United States has been pragmatic and flexible—drawing on past experience, watching closely the effects of the various measures adopted, and being ready to modify them as required by the changing situation.

Control of creeping inflation presents a particularly difficult problem. In fact some people contend that it cannot be checked without hampering economic growth and increasing unemployment. They assert that a gradual rise in the price level promotes, and may even be required to maintain, maximum output and full employment. My Government rejects this thesis. We are convinced that relatively stable price levels are not only fully compatible with continuing high employment but essential to it. Not only may creeping inflation accelerate, but it also tends to impair the quality of business decisions and consumer judgments and induces uneconomic use of resources.

We recognize that undue emphasis should not be placed on monetary policies in dealing with some types of cost and price inflation. We recognize that these policies may have to be supplemented by appropriate fiscal policies and by other measures designed to make the economy more competitive and flexible in operation. Any program for restraining inflation of the kind we have recently experienced, and whose effects are still being felt, must be a broad as well as a flexible one.

Postwar Developments in the U.S. Economy

The review of recent developments contained in part II of the survey shows that the year 1957 established many new economic records. In fact a basic problem for most of the year was that of maintaining financial stability during economic expansion.

Today, however, many people are concerned that recessionary tendencies may impair, not only prospects for continued economic advancement over the next few years but even the gains achieved over the last decade. In this connection, I would like to endorse the view expressed in the survey that "there is no question of the recession taking on the dimensions of the prewar depression." Certainly a decline on any such scale is inconceivable on social and political, as well as on economic, grounds.

Economic developments in the United States are important to any evaluation of the world economic outlook. I should like, therefore, briefly to analyze the course of recent economic activity at home, with particular reference to the current recession and the policy of my Government with respect to economic recovery and growth.

First, in order to place the current economic situation in perspective, I believe it would be useful briefly to review economic developments in the United States during the postwar period.

In the closing phases of World War II and in the early days of the postwar period many persons predicted that our economy would soon run into difficulties. Some even felt that the United States would slip back to the depression levels of the thirties, once wartime demands had abated. Many people were convinced that even minor fluctuation in the U.S. economy would give rise to widespread repercussions in other countries.

What, in fact, has been the record?

Far from contracting, demand expanded phe-

nomenally. Our productive facilities, though greatly enlarged during the war, proved completely inadequate to postwar needs. To provide an increasing output of all kinds, the American economy generated an investment of more than \$600 billion of private and public funds in the expansion and modernization of plant, equipment, and basic community facilities. This investment made possible a postwar expansion of almost 50 percent in the volume of goods and services produced, a growth subject to only two brief interruptions in 1948 and 1953. Specifically, aluminum production increased by 200 percent. Output of the electronics industry expanded almost as much. The consumption of electricity and gas more than doubled.

Since the war the rate of growth of the American economy, remarkable though it has been, has at times been exceeded by a number of other countries. This is not surprising. Some of these were countries which had to replace plant and equipment destroyed by the war. Others were countries which, starting from relatively low levels of output, made heavy investment for rapid industrialization an overriding purpose, to the neglect of improvements in housing and in the supply of consumer goods and services. Nevertheless, our free enterprise economy responded vigorously to the challenge of the postwar world. It provided the American people with the highest standard of living ever achieved. It enabled the United States to assume heavy commitments designed to further economic development and to bring greater strength and unity to the entire free world.

Recent Developments in the U.S. Economy

The year 1957 was in many respects the most prosperous in our history. In real terms gross national product, personal income, and consumer expenditures rose to new all-time highs. Until September 1957 our economy operated at a level representing practically full employment.

Toward the end of the year economic activity began to slacken. By April 1958 industrial production—one of the most sensitive indicators in our economy—had fallen by 13 percent. However, in this same period our total output of goods and services had receded by only 4 percent from the record levels of 1957. Disposable personal income fell even less.

It is true that there were nearly 5 million per-

sons unemployed in the United States in May 1958. This figure, however, includes some 2.7 or 2.8 million who, in the best of times, are changing jobs or looking for first jobs. Moreover, during the preceding year the labor force increased by over 1 million. The number of Americans actually employed in May 1958 was 64 million, or only about 1 million less than a year earlier.

Notwithstanding the recession, the people of the United States continued to enjoy an exceptionally high standard of living. During the first quarter of this year the average American earned sufficient to leave him, after paying taxes, \$1,734 a year. On the average, workers in the manufacturing industries were paid \$2.11 an hour, the highest figure in history; in a week, they worked 38.5 hours and earned over \$81. Even those workers who were unemployed received, through unemployment insurance, an average of \$30 per week.

What I have tried to convey to you is that, even with the recession, America is at work, is producing, consuming, investing, and saving at a very high level. The vitality of our economy has been attested by the fact that we have reached, and may have passed, the bottom of the decline without having imposed great hardship upon the American people.

Four sectors of our economy have played major roles in the current downturn. These have been: a decline in business outlays on plant and equipment, a reduction of inventories, a drop in consumer demand for durable goods, and a fall of our exports.

A sharp rise in private investment in plants and equipment began in 1955 and continued through 1958. This latest expansion came on top of an already very high level of capital investment. Events proved the expectations were too optimistic. As a result, new private capital investment was reduced and is currently about 14 percent below the high of last autumn. Business plans call for further moderate reductions this year as investment decisions are brought more closely into line with immediate needs.

The largest single depressing factor in the recession has been the change from inventory accumulation at an annual rate of \$3 billion in the third quarter of 1957 to inventory liquidation early this year at a rate of about \$9 billion. Essentially, this reduction represents adjustments to declining orders for capital goods and defense

equipment and a falling off of consumer demand for durable goods, mainly automobiles.

Finally, the behavior of our exports has been another large factor in the decline in economic activity. Our merchandise exports, which had increased to a rate of \$20 billion annually early in 1957, had fallen by 20 percent to a rate of \$16 billion early in 1958. In this respect the present situation is in contrast with the recession of 1953, when foreign demand for American products continued to expand.

In some quarters, there is a tendency to over-emphasize the impact of economic developments in the United States on the rest of the world while, at the same time, ignoring the effect of developments abroad on the economy of the United States. This oversimplified view has little relation to reality. The events of 1957 make it clear that the American economy can be substantially affected by circumstances abroad which affect the demand for our exports.

In the early part of 1957 foreign demand exerted a strongly expansive effect on the American economy. Our exports, which were already rising in response to the needs of growing economic activity abroad, suddenly had to meet urgent demands arising from the closure of the Suez Canal and other temporary circumstances. These special requirements of other countries subsided at the same time that the pace of economic expansion abroad slowed down. As a result, our exports were depressed from the levels attained during the first half of the year at the same time that demand fell off in other sectors of our economy.

Recent Developments in Trade And Payments

To date, the international effects of the leveling out of the world boom have for the most part been far less serious than had been feared. No general pressure on foreign-exchange reserves has developed. On the contrary, during the very time that the American recession was emerging, the balance of payments of the rest of the world with the United States showed a reversal from the deficit that had appeared during the first three quarters of 1957.

Total demand for imports by the United States has remained almost as high as a year ago. While there has been some decrease in our imports of metals and certain other basic materials, our imports of some types of consumer goods, such as

automobiles, were actually larger both in volume and in value. The evidence suggests that the level of our imports is less affected by moderate variations in our industrial production than has generally been supposed. A significant development in recent years is the fact that, within the total of U.S. imports, the share of commodities which are most sensitive to industrial recession has been falling.

Thus, the continuing high level of our exports, together with a substantial outflow of American capital, enabled many Western European countries, as well as some in other parts of the world, to add substantially to their reserves of gold and dollars since last September. In fact not only has the rest of the world recovered the entire loss sustained during the early part of 1957, but it has increased its total reserves to a record level.

I am aware, of course, that a number of countries are experiencing balance-of-payments difficulties arising from such factors as economic development programs which depend on substantial imports or from reduced earnings of commodity exports. Certain primary producing countries have been especially hard hit. Since we shall be considering the state of the international commodity market later in our agenda, I shall reserve further discussion of this aspect of the world economic situation until that time.

While our total imports and capital exports have been well maintained, the dollars supplied to the rest of the world from governmental sources, both bilaterally and through international organizations, have also been sustained at a high level. Immediately before the war, I might point out, the dollars made available through U.S. Government expenditures abroad accounted for only 2 or 3 percent of the total. In 1957, including dollars made available through international organizations, it was about 28 percent. The great rise in this proportion, and the fact that the supply of dollars from these governmental and international sources does not fluctuate with changes in business conditions, has introduced an important element of stability into the dollar supply to the outside world.

Two of the principal agencies through which the primary producing countries have been able to borrow dollars to finance investments and for more general purposes—the International Bank and the Export-Import Bank—both recorded a sizable increase in their loans to these countries

in 1957. The funds made available last year to underdeveloped countries by the International Monetary Fund totaled more than three times that of 1956, exclusive of standby credit arrangements. Establishment and support of these mechanisms has been an essential element of American foreign economic policy.

In the light of these developments I see no reason why the postwar movement toward reduction in barriers to international trade should not continue and why international convertibility of key currencies should not continue to be a realistic goal.

Prospects for the U.S. Economy

What I have been discussing is, of course, history. What are the prospects for the future? We have solid grounds for confidence that we shall resume economic progress without extended interruption. This confidence rests on the performance of a number of basic factors in our economy.

To date, the decline in consumer income and expenditure has been relatively modest—less than one percent from the peak of 1957. This was due in part to the operation of such built-in stabilizers as unemployment compensation and social-security payments. Since February personal income has been moving upward. It has already recovered half of the loss from its peak of last summer. Today it stands at \$340 billion a year.

While private expenditures on plant and equipment are expected to decline a bit further during the remainder of 1958—although at a reduced rate—governmental outlays will increase substantially. By the last quarter of this year the annual rate of outlays on goods and services by Government units at all levels—Federal, State, and local—is expected to be some \$6 billion higher than in the fourth quarter of 1957, or a total of about \$93 billion. This rise will provide an expanded volume of public services and increase the rate at which we are building such needed assets as roads, schools, reclamation projects, and local public utilities.

Inventory liquidation during the first quarter of 1958 reached an annual rate of \$9 billion. Inventories cannot continue to be reduced at this rate in the face of the continuing high level of final demand.

The rapid increase in applications for Government-guaranteed mortgages on houses indicates a significant rise in future construction. The be-

ginnings of this rise are reflected in the statistics on private home building for the month of May, when the annual rate of new housing starts surpassed one million for the first time since January.

Finally, production of automobiles—the most seriously depressed of the durable consumer goods industries—which has fallen to a level just sufficient to replace cars being worn out, has risen moderately.

Thus, there is strong reason to believe that the decline has been halted and will soon be followed by recovery. Industrial production has halted its decline. During the past 2 months it has turned upward as output in steel and other industries expanded. Personal income, total employment, and orders to manufacturers for durable goods also advanced somewhat. Farm income this year has been running considerably above a year ago. Between April and May employment rose by 1.2 million, somewhat more than could be expected simply because of seasonal factors.

Important actions have already been taken by my Government to help speed economic recovery. The availability of credit has been eased and its cost to borrowers reduced. A series of actions has been taken to stimulate the construction of residential housing and to step up activity in such fields as urban rehabilitation. Measures have been taken to accelerate public construction in many categories, including water-resources projects, hospitals, and highways. Congress has been asked to authorize a speedup in the purchase of equipment and supplies used in the normal functioning of government. Provision has been made for payment of unemployment compensation for periods longer than those currently provided for under the laws of various States.

In the light of the behavior of key indicators of our economy—which have again demonstrated the resilience of our free-enterprise system—my Government has not found it necessary to take more drastic action. However, Mr. President, my Government remains flexible in its policy. It stands ready to take additional action, should any prove desirable.

We recognize that economic developments in other countries will be influenced to a significant degree by developments in our own economy. We recognize, in this respect, the interest of other countries in our economic policies. We recognize the importance to them of finding opportunities to earn dollars through exports to the United States

and to obtain loans and investment. These opportunities have expanded consistently since the end of the war with only minor interruptions.

In the field of domestic economic policy, growth and stability will continue to be important objectives, not only for my own country's welfare but also for their effect on other countries.

In the field of foreign economic policy we shall continue to assist economic development abroad, both directly and through the United Nations system. We shall also continue to promote the liberalization and expansion of such measures as the reciprocal trade program.

In conclusion, Mr. President, while any survey of the world economic situation must necessarily focus on such material indices as the volume of production, consumption, and international trade, it is well to remind ourselves that what we are essentially concerned with in this Council is people, their aspirations and expectations in the broadest sense. Economic and social progress cannot be measured solely by physical accomplishments. Any true measure must take account, not only of how much men produce but of the conditions under which they work.

Here two systems stand in sharp contrast. In one system the unpredictable will of a small governing group dominates all economic activity and, indeed, the whole life of the people. There is little scope for individual initiative and enterprise. People have little choice where and at what to work. The individual knows little of liberty and freedom in their true sense. He is an object of manipulation for the preservation of the system.

The other system is based on free choice. The pattern of production is shaped by the independent decisions of countless individuals. The system affords the fullest scope for initiative and innovation. Under it men enjoy not only the highest level of material satisfaction achieved in human history but are also members of a society which recognizes and safeguards their rights and privileges as individuals.

It is well to remember that man is not merely an economic creature. He is at once physical, intellectual, and spiritual. The fulfillment of his broadest aspirations involves far more than the satisfaction of his physical wants. No system which fails to take into account these basic human truths can serve mankind.

Surely, then, a growth in physical output under

a system based on free choice represents economic and social progress in a truer and wider sense than material growth under conditions which exact heavy costs in human freedom and human dignity.

The point I am making is embodied in the statement of a well-known British economist who pointed out that economic development must mean, in the last analysis, a constant expansion of "human options"—the constant widening of man's horizon, not only in material terms but in terms of all the factors that enhance the dignity of the individual.

Of course, Mr. President, so long as people have unsatisfied wants, there can be no ceiling on economic activity or economic development. The past is prolog. The economic performance of the period since World War II lends confidence to the belief that we face a future of even greater promise.

STATEMENT BY MR. PHILLIPS ON FOOD RESERVES, JULY 10

U.S./U.N. press release 2953 dated July 10

It gives me pleasure to say that we find FAO's [Food and Agriculture Organization] report on national food reserve policies in underdeveloped countries² a very worthwhile document. It presents the subject clearly and comprehensively and is of the accustomed high professional standard of FAO's series of food reserves.

This report was prepared in compliance with resolutions 1025 (XI) and 1026 (XI) of the eleventh session of the General Assembly. It concludes, at least for the time being, the generalized type of study and broad consideration of principles for which the resolutions called. If all of us find it possible to accept the general tenor and conclusions of the report that is before us, then the time has arrived for the preparation and discussion of concrete plans. In that case countries wanting to establish or enlarge national reserves must get down to the work of preparing such concrete plans.

In its illustrative discussion of the situation in India and in Pakistan, FAO has shown the type of information that should be covered, the estimates and the kind of decisions that countries must make, and the nature of the measures and

safeguards that need to be developed in concrete fashion.

Mr. President, so far as my Government is concerned, I am happy to say that we are prepared to accept the essence of FAO's report. As we stated in Committee II of the General Assembly in January 1957,³ the establishment and maintenance of more adequate national food reserves, especially in underdeveloped countries subject to extreme fluctuations of crops, would go a long way toward accomplishing most, if not all, of the purposes for which some delegations had thought a world food reserve or a world food capital fund would be needed.

The importance and effectiveness of such national reserves in emergency situations is obvious. And they have additional importance for economic development in a number of ways. They could temporarily be drawn upon to help mitigate inflationary pressures of increased consumer demand resulting from intensified economic development. Surplus foods from abroad could not only contribute directly to the stocks that should be held as an emergency reserve but could also in part finance the cost of the construction of storage space. If storage space were available, the local government's task of dealing with domestic surpluses in years of good crops would be greatly facilitated, and years of abundance would become the blessing they should be instead of the embarrassment they now are. The lack of reserve stocks in areas where people live on the brink of disaster from one harvest to the next is a grave impediment to improvements in production methods; producers are fearful that any change in their time-honored ways might upset the precarious balance they had managed to maintain. In this respect, as well, the accumulation of reserves and the creation of facilities for storing them would have significance for economic development.

Mr. President, I am pleased to reaffirm what we stated in the General Assembly on January 11, 1957. The U.S. Government is prepared, in accordance with its authority, to assist in the establishment or enlargement of reserve stocks of this kind. Such assistance would, of course, be predicated on the development by the countries concerned of reasonable and realistic programs and of safeguards that insure the observance of

² FAO Commodity Policy Study No. 11 (U.N. doc. E/3139).

³ BULLETIN of Feb. 11, 1957, p. 233.

FAO's principle of avoiding "harmful interferences with the normal patterns of production and international trade."

I believe that we are all interested in bringing the present phase of study and contemplation of the issue to a close and that we are now interested in giving the ideas so thoroughly explored a fair trial. We cannot do this simply by having the Council tell some governments that they should build up reserves and tell others that they should assist in this effort. For it is clear that only well-thought-out country programs can make their benefits compare favorably with the burdens they impose and that only carefully considered plans can offer the guaranties that FAO's principles for surplus disposal require.

The most practicable way of facilitating the transition from study to action would, therefore, seem to be for governments wishing to accumulate reserves to work out concrete programs, while countries willing to assist in the establishment or enlargement of such reserves, or otherwise interested in the problem, would give prompt consideration to such programs with a view to the early realization of suitable plans. In developing specific country plans governments will want to consult with each other and make use of the machinery for international consultations provided by FAO's subcommittee on surplus disposal.

Mr. President, I will be glad to associate myself with a positive resolution on this subject that would facilitate practical action by recommending the preparation of such country programs and their prompt consideration.

STATEMENT BY MR. PHILLIPS ON INTERNATIONAL COMMODITY PROBLEMS, JULY 16

U.S./U.N. press release 2961 dated July 17

The conditions under which primary commodities are imported and exported are of outstanding importance to all of us. For this reason I have listened with great interest to the Secretary-General's opening remarks in the debate and to the observations of my colleagues. Also, we have a number of documents before us, such as the Secretariat's Study of Commodity Trade in 1957⁴ and the reports by the International Coordinating Committee for International Commodity Ar-

rangements [ICCICA]⁵ and the Commission on International Commodity Trade [CICT].⁶ It is against this background of the findings, the conclusions, and the hopes expressed in these statements and documents that I would like to develop my comments.

There is universal recognition today that we live in an economically interdependent world. We are particularly aware that this applies to the relations between the underdeveloped economies and the industrialized ones. What benefits one group benefits the other also. Developments prejudicial to either group have unfavorable repercussions on the other.

Many industrialized countries have committed themselves to policies designed to achieve and maintain stable economic growth at high levels of employment. These policies, although not completely successful, have met with a marked degree of success. I am sure we can look forward to further progress along these lines as our basic knowledge and statistical information improve.

In the field of stability of prices of primary commodities, measures and policies have not been so well accepted or so successful. As a result, the underdeveloped countries, where this matter is of greatest concern, have not been able to achieve a comparable degree of stability in their economies. Their heavy dependence on the export of primary commodities made them particularly sensitive to economic developments which are to some extent outside their own control. We are all aware of these special difficulties and of the fundamental importance of finding ways and means for reducing them. This is the essence of the commodity problems with which we are here concerned.

The Fourth Report of the CICT gives us a concise picture of the development in primary commodity markets during the last half of 1957 and early 1958. As described in that report, there was a general decline in primary commodity prices. In the last quarter of 1957 the index of such prices had declined to almost the lowest level in any quarter since the outbreak of hostilities in Korea. These developments necessarily reduced the exchange earnings of the countries concerned. The Commission's report discusses a number of the market forces that have been responsible for the decline in prices. Among these was the slow-

⁴ U.N. publication 1958.II.D.1 (U.N. doc. E/CN.13/27).

⁵ U.N. doc. E/3118.

⁶ U.N. doc. E/3124.

ing down of the rate of economic growth in some of the major industrial countries. In this connection the Commission notes that the weakening of markets for several basic commodities had begun well before the decline in industrial production, owing mainly to the sustained expansion of supply.

Given these developments and the problems that are created by the instability in primary commodity markets, we are faced with the question as to what can or should be done about it. Obviously the more general and long-term solution of the problem, as we all no doubt recognize, lies in the maintenance of stable economic growth in all countries and diversification of the underdeveloped economies. Adequate research into market prospects can assist in anticipating needs and wants of consumers and in keeping in touch with changes in supply conditions. Other measures can help to increase the consumption of the products concerned through improvement of quality, lowering of costs of production, and research into alternative or new uses.

Turning specifically to measures of international commodity policy—measures that are directly designed to prevent or moderate fluctuations in the prices of primary commodities—let me restate the view of my Government that such arrangements should be approached with extreme caution. While we are gravely concerned about these fluctuations, we are also very conscious of the practical fact that control arrangements, either national or international, carry with them risks which must be carefully weighed along with the potential gains. As a country in which the free-enterprise system prevails, we believe that a well-functioning price system has the major role to play in the rational allocation of resources. Basic trends in the prices and the volume of trade are the expression of basic trends in supply and demand. They must not be impaired. What we should aim to eliminate are excessive fluctuations in prices. These fluctuations are generally felt to have no genuine economic function and are the outgrowth of essentially temporary situations.

This, of course, is the general proposition. The great problem is posed by the theory's practical application: How can we do what is desirable without, at the same time, interfering with the functioning of the price system? How can we eliminate short-term fluctuations without disturb-

ing the basic trends? When we take action in this field, how can we discern the quantitative impact of the basic forces of supply and demand and leave them free to assert themselves and give producers a timely warning of needed long-term shifts in resource uses?

All this serves to point up the need for careful study of the facts in each individual commodity case—to ascertain the character of a special problem and the possibilities of special action. While study is not an alternative to action, it is a prerequisite if we are to avoid hasty and unwise action that at best helps no one and, at worst, may do much damage even to those who are to be assisted.

It is sometimes suggested that the United States has held itself aloof from the consideration of commodity problems and has not actively pursued measures looking toward their solution. May I indicate specifically what my country is doing in this respect:

1. The United States participates in a number of international commodity activities—control agreements, study groups, other technical consultative bodies, and ad hoc conferences. Thus, at the present time the United States is party to two of the three international commodity arrangements. It is a member of practically all the study groups, including those that relate to such important commodities as cotton, coffee, cocoa, rubber, and wool. The United States also intends to participate in the meetings that have been proposed by ICCICA for the fall of 1958 on copper, lead, and zinc, and which the distinguished Under Secretary¹ announced yesterday would commence in London in mid-September.

2. My Government continues to pursue a policy of liberalization of trade which is so important to primary producing countries, and our imports generally have been maintained at high levels in spite of the recession.

3. In the conduct of our stockpiling programs we recognize an obligation to avoid actions that would have disruptive effects on world prices.

4. In the disposal of agricultural surpluses we continue to take precautions not to displace normal commercial trade.

¹ U.N. Under Secretary for Economic and Social Affairs Philippe de Seynes.

5. We are assisting the economic development and diversification of underdeveloped countries through our financial and technical assistance programs and through our efforts to promote conditions favorable to an increased flow of private investment.

I have noted with great interest the comments of members of this Council who have expressed the hope that the work of the Commission on International Commodity Trade can be made more effective by wider participation of important industrial countries. Having seriously considered these expressions of hope, we would like to state our active interest in such participation. In this connection, we welcome the initiative of Argentina, Uruguay, and Belgium during the last session of the Commission, looking toward a modification of the Commission's terms of reference. My delegation is hopeful that this effort will result in appropriate modification of the terms of reference of the Commission to make it a more effective forum where new ideas and new initiatives can develop. We are also hopeful that such modification of the terms of reference would remove the obstacles to active U.S. participation in the Commission's work.

Let me stress, however, as strongly as I can, that our interest in participation in the work of the CICT does not, as was suggested early this morning, constitute "condescension" on the part of the U.S. We honestly believe that the CICT can play a more useful role than has been the case to date. If, for one moment, we felt that our participation would be regarded as reducing the usefulness of the CICT, we would certainly not wish to make ourselves available for membership.

Mr. President, I would like to assure you and the Council that the economic policy of the United States in relation to the underdeveloped countries is based on a deep consciousness of the need for assisting a high rate of growth and of helping to make that growth as stable and continuous as possible. We are truly anxious to help to this end within the limits of what is sound and within our capabilities. And we are always ready to discuss these problems in an effort to find practical and acceptable solutions. Our own interests will have been fully served if we succeed in promoting a more secure and more abundant life for all.

STATEMENT BY MR. KOTSCHNIG ON REVIEW OF ECONOMIC AND SOCIAL PROGRAMS OF U.N. AND SPECIALIZED AGENCIES, JULY 11

A few weeks ago, in Chicago, I had the opportunity to address a conference of social workers assembled from all parts of the United States. More than 1,000 people filled the hall to discuss what was in fact the subject of my speech—"Social Action: An Instrument of Foreign Policy." Earlier in the year I attended another conference in Washington which was even more representative. Scores of organizations with a membership of many millions of Americans participated in it—organizations of labor, business, and farmers, professional women and housewives, religious and racial groups. Their topic was foreign aid, and, I am glad to say, considerable attention was given to the U.N. and the programs of technical assistance.⁸

Meetings and conferences of this kind are symptomatic of interest and concern the American people have in international economic and social problems. Their concern is one which goes far beyond the more traditional interest in international trade and balances of payments. Americans have a live interest in the fate of the less developed parts of the world, in the living conditions of their people, and in their drive for national independence, for greater personal freedom, and for higher levels of living. Their concern and interest have become a real force in our foreign policy, as is reflected in our continued and substantial support for foreign aid programs, both bilateral and multilateral.

It is significant that during the last few years, while Congress made cuts in almost all parts of our Federal budget, no cuts were made in any of our statutory contributions to the United Nations, the specialized agencies, or the many other inter-governmental organizations in which we participate. It is even more significant that in recent weeks and in spite of the slackening of economic activity in my country Congress maintained our bilateral foreign economic aid at about present levels and increased the contributions we are authorized to make to voluntary programs of the

⁸ For texts of addresses made at the Conference on the Foreign Aspects of United States National Security at Washington on Feb. 25, see BULLETIN of Mar. 17, 1958, p. 411.

U.N. and the specialized agencies, such as the Expanded Program of Technical Assistance [ETAP] and the proposed Special Fund.

The reasons behind this interest and the actions which flow from it are complex. One reason is frequently overlooked abroad. It lies in the American tradition to help the less fortunate. We have a genuine concern with the well-being of others because we believe in the dignity of the human person. And we believe in mutual aid because we conquered the wilderness of our continent in standing by each other. This is not the place to delve into American history, its religious foundations, and the great experience of the frontier, but I assure you that our concern with the well-being of others runs deep and has not been destroyed by the corrosive influences of modern society.

Having said this, it would be foolish to suggest that we are not also prompted by self-interest. We readily acknowledge that it is in the interest of our own economic growth to create new markets for our products, agricultural and industrial, and to secure access to the essential raw materials we need from the less developed countries.

But the issues are far more basic. We have a great and genuine national concern with the ability of the countries of Asia and Africa and Latin America to develop their economies through orderly democratic means even though faced with urgent pressures from within and the enticements of totalitarianism as an instrument of rapid, if ruthless, progress from without. Population pressures continue to increase at an alarming rate. In 1830 mankind reached a world total of approximately 1 billion individuals. It took another century to reach the third billion. Forecasts by our United Nations demographers indicate that, with continued medical progress, the world total will pass the fourth, fifth, and possibly even the sixth billion mark by the end of the century. This indeed creates an explosive situation. No static economy can sustain this steady rise in population.

Barbara Ward, in her recent book *The Interplay of East and West*, summarized the situation succinctly when she said that "the choice now is modernize or perish." Yes, we must choose. The countries of the world can either develop economically and socially at a rate far exceeding any yet experienced or resign themselves to substandard levels of living, famine, bloody revolution,

disintegration rather than development of democratic government, loss of liberty, and war.

These are the major reasons why a new dimension has been added to our foreign policy. They help to explain our vast foreign economic aid programs. And they give reason for the sustained efforts which we have made, inside and outside the U.N., to help develop the United Nations and the specialized agencies into effective instruments for economic and social development and progress.

Mr. President, these are also the reasons why we always look forward with keen interest to the annual debate of programs in which, for the third time, we are presently engaged. The very setting of this debate is inspiring. Not only have we here in this chamber today and yesterday representatives of the so-called big powers and able spokesmen for the teeming masses of people living in the less developed parts of the world. We have among us, in addition to the Under Secretary General, the Directors General of the great intergovernmental organizations which have as their purpose to achieve, through common international action, a better life throughout the world. Millions of people are alive today thanks to the work of their organizations. Literacy, a major key to progress, is spreading faster because of them. With their aid, new techniques basic to economic and social development are penetrating to the furthestmost corners of the world. Their assistance helps to develop new systems of communications which are bringing the nations of the world closer to each other.

And we have with us the executive secretaries of the regional economic commissions, which are doing such signal work in carrying modern progress to the countries of their regions and which are proving so effective in assisting the leaders of these countries in their heroic efforts to improve the lot of their peoples. In a word, we have in this chamber the top general staff in the great international war against misery, ignorance, disease, and premature death. It is one war where victory is likely to spell peace in greater freedom for all.

There is one thing, above all, that can be and must be expected of all of us as a group. We must develop an acute sense of historic realities and, through this, perspective. This leads me straight to the first of the few major points I have been asked to make on behalf of my Government.

Five-year Appraisal

I refer now to the 5-year appraisal of programs on which the Council made its decision last summer in Resolution 665 C. At that time the Council (1) requested the Secretary-General to make an appraisal of the scope, trend, and cost of the regular U.N. programs in the economic, social, and human rights fields for the period 1959-1964 for consideration by the Council at its 28th session; (2) invited the ILO, FAO, UNESCO, WHO, and WMO to consider the most appropriate and practical methods of preparing similar appraisals of their own programs for the same period; (3) requested the Secretary-General and the executive heads of the agencies concerned to consult on the preparation of these appraisals in comparable form; and (4) requested the Administrative Committee on Coordination [ACC] to present to the Council at its present session a report regarding the preparation of these appraisals and on major problems which may have been encountered. Under the same resolution, the Council decided to consider at this session the arrangements necessary for preparing, on the basis of the above-mentioned appraisals, a consolidated report with conclusions, to be submitted together with the appraisals, to the Council at its 30th session (1960).

It will be remembered that last year considerable doubts were expressed by high-level members of the United Nations Secretariat and by two of the specialized agencies concerning the feasibility and desirability of the proposed appraisal. It will also be recalled that, notwithstanding these doubts, resolution 665 C was voted unanimously.

We rejoice in noting in annex II of the ACC report⁹ that the original misgivings appear largely to have been overcome and that considerable progress has already been achieved in the preparation of the appraisals. UNESCO has gone farthest in endorsing the Council's proposal. The UNESCO document 50 EX/18 of April 11, 1958, not only contains a carefully worked out timetable for the completion of the appraisal but a 51-page preliminary text of such an appraisal. The FAO, in a document entitled "FAO Report to ACC on ECOSOC Resolution 665 A and 665 C dealing with Coordination and Concentration of the Programs of the U.N. and the Specialized Agencies"¹⁰

(a report which unfortunately was not made available to ECOSOC), sets out a carefully thought out timetable and contains also pertinent observations on the best ways of preparing the FAO appraisal. The WHO, in resolutions passed by its Executive Board on January 20, 1958, and in a somewhat watered-down form by the World Health Assembly in Minneapolis, endorsed the ECOSOC proposal, which it believes it can carry out within the framework of the periodic reviews of its "general program of work covering a specific period." The WHO resolution provides that this review could be adjusted to the period suggested by the Council. The WMO, at its session in October 1957, also authorized its Secretary General to proceed with the plan.

As was already brought out yesterday by the distinguished representative of the Netherlands, however, there are still uncertainties and hesitations which, unless they are removed, might seriously jeopardize the success of the project. Reference was made to the overly cautious attitude of members of our own secretariat and to the stand taken by the Governing Body of the ILO. The position taken by the ILO set forth in document E/3089 of April 5, 1958, indeed reflects a considerable and continuing reluctance on the part of the ILO to implement fully the Council resolution.

My delegation has the highest regard for the ILO and its outstanding achievements. It is the doyen among the major specialized agencies, and its Director General, beloved by all of us, is a man of exceptional vision and accomplishment, as demonstrated again yesterday in his outstanding contribution to our debate. It is therefore only natural that we should give special attention to the views of the ILO. For this reason and to dispel lingering doubts in other quarters, I hope I shall be forgiven if I engage in a somewhat fuller discussion of the position taken by the ILO. I am not doing this in any carping spirit of criticism but in an honest attempt to clarify the nature and the intent of the appraisal proposed and to help secure the full cooperation of all parties concerned.

The major part of the ILO document is devoted to a statement of reservations stressing the autonomy of the ILO; the "unique circumstances" under which it operates; the fact that the appraisal raises for the ILO "serious constitutional issues" due to its tripartite character and that "matters

⁹ U.N. doc. E/3108.

¹⁰ U.N. doc. E/3105/Add. 2.

relating to the program and budget of the ILO cannot, without violation of a constitutional obligation, solemnly ratified by all members of the ILO, be determined by governments outside the framework of the ILO." The report also emphasizes that the ILO is dealing with "dynamic" problems and cannot predict the development of its program. It cannot "commit itself to a long-term program built on the shifting sand of rapid technological progress and on the unforeseen circumstances of political, economic, and social development." The ILO reply, finally, speaks of "a disproportionate amount of time, efforts, resources and effective energy . . . expended in arrangements for coordination of marginal value and importance to the detriment of the productive work of the ILO in abolishing forced labor, eliminating discrimination, etc."

Following these essentially negative observations, the ILO report in 14 lines out of 12 pages states that the information it is willing to furnish is as follows:

The information which the ILO can and will supply in this manner and subject to these limitations will outline the future trends of its programme on the basis of the agenda which is planned for the succeeding two International Labour Conferences and other meetings concerning which decisions have been taken, together with certain other activities which can be expected to be of a continuing nature. These include action concerning: manpower and training programmes; labour-management relations; the development and adjustment to industrialization in the underdeveloped countries; action to safeguard freedom of association, eliminate forced labour and discrimination in respect of employment, and promote other human rights; and research and publications programmes. The information furnished will indicate which of the ILO activities mentioned in it are the result of requests by the United Nations or other organizations and which are undertaken jointly by the ILO with the United Nations or other organizations.

In conclusion, the ILO says categorically that "the Governing Body does not consider that the information which it will supply could appropriately or conveniently form part of a consolidated report such as is contemplated in Resolution 665 C, but that it could nevertheless be presented to the Council simultaneously with, although separately from, any such consolidated report." It suggests, furthermore, that the Governing Body would welcome an opportunity to discuss these matters with ECOSOC and to this end has "appointed a delegation to be available for this purpose at a mutually convenient time and place."

Mr. President, I submit that many of these observations reveal an evident misunderstanding on the part of the authors of the ILO report as to the nature, scope, and intent of the proposed appraisals. It is these misunderstandings which I hope we can dispel by way of a friendly and open discussion.

Nature and Objective of Proposed Appraisals

Let me, first of all, state what the appraisal, as we understand it, is not to be. The Council is *not* asking for the elaboration of detailed programs for the next 5 years but rather a statement of trends and the development of broad programs. *Nor* is the Council asking for detailed financial estimates, although it does expect indications as to the magnitude of changes in budgetary requirements. The elaboration of the appraisals does *not* require firm "policy formulation" from any of the specialized agencies, nor does it require any inflexible commitment on specific programs. Least of all, no one is proposing that the program and budget of the ILO or of any other specialized agency should or could be determined by governments outside the framework of the ILO or any other of the specialized agencies. We hold the autonomy of all the specialized agencies in high respect. There is no attempt at interference with that autonomy, at giving any directions, or at centralization of policy formulation and budgetary arrangements.

What then is the nature of the proposed appraisals and their objective? In an attempt to place the proposition in positive terms, I quote a statement made by the Advisory Committee on Administrative and Budgetary Questions, as reproduced on page 4 of annex II (E/3108). The Committee said:

. . . the forward look would, in its view, be in terms of the general scope and trend of broad segments of the programmes, rather than of a rigid blueprint of detailed projects to be undertaken over a period of several years. At present there is a wide range in the degree of forward planning, even in a broad sense, of programmes among the organizations. Special problems will no doubt arise in some of the organizations in attempting to define long-term trends in programmes; such problems should, however, be possible of solution—with sufficient margin for flexibility—in the interest of an orderly planning of overall international effort in the economic and social fields.

Even more helpful are some observations contained in the FAO report to the ACC (paragraphs

14-20, pp. 7-9) which was cited earlier. Here it is stated that "the first step to be taken in preparing a forward 5-year appraisal would be for FAO to reexamine its philosophy in regard to the lessons to be drawn from past activities and the needs of the present and future years. Such a restatement of trends of general directions of FAO's work would call for a careful study and a great deal of imagination." It would call "for careful consideration of the objectives of the organization and the methods of achieving them."

Second, an approach on *functional* lines would be preferable to following the existing divisional organizational pattern. In the light of the restatement of "philosophy," each major line of work should be examined. In all cases, the emphasis would be on overall developments and trends and not on a listing of individual projects. In this connection the appraisal should not be confined to the regular programs but should definitely include activities undertaken by the various organizations within the framework of ETAP and, as far as it can be predicted, the new Special Fund.

The third part of the appraisal should attempt a broad indication of the budgetary implications. Separate information might be given as to the part played by documentation and the holding of meetings in the work of the several organizations.

In all of this it must be clearly understood that no appraisal made by any of the organizations would interfere with the essential flexibility which the organizations must have in determining their programs from year to year.

Finally, the FAO paper suggests that the FAO appraisal would "occupy some 60 single-spaced foolscap pages." While we believe that the Council should refrain from setting any such specific limits, reports from 50 to 100 pages per organization would appear adequate.

This synopsis of the positions taken by the Advisory Committee on Administrative and Budgetary Questions and the FAO comes very close to what I believe the Council had in mind in passing resolution 665 C. What is aimed at is an overall appraisal of programs in the light of the historical forces at work in the present day world, the economic and social interests and needs of the highly developed countries, the drive for economic development and higher levels of living in the underdeveloped regions of the world, and the mutual aid that can and must be provided

to facilitate such development. Certainly such an appraisal requires imagination and the use of all modern means of economic and social diagnosis, but in many instances present day trends are so clear that they permit projection into the future.

Viewed from this angle, we feel quite sure that the ILO, with its vast experience, is as capable as any other organization, in spite of the differences in its structure, to take a forward look which would be more than guesswork. Obviously, no specialized agency can predict what the agenda of its conferences and meetings will be in 1964, but the ILO in its state of full maturity, paradoxically enough, has developed such a cohesive pattern of work as to make it easier for that organization to make such predictions.

The ILO has developed a number of operational programs which we are sure are not built "on shifting sands" but which respond to basic needs of the present age. I have already referred to the paragraph in the ILO report which mentions many of these programs. We were surprised, however, not to find in that list any reference to the development of social security systems. Be that as it may, one needs little imagination to predict that with the growth in industrialization of the underdeveloped countries, ILO's responsibilities for assistance in the development of social security systems will greatly increase over the next 5 years. It is true that all these operational programs of the ILO are developed in response to dynamic forces in the world today, but these dynamic forces, we believe, can be ascertained in the case of the ILO as well as, if not better than, for example, UNESCO.

Finally, we are frankly puzzled by ILO's opposition to having its appraisal form part of the consolidated report. Resolution 665 C, paragraph 7, makes it quite clear that the provision of arrangements for the preparation of such a consolidated report lies with the ECOSOC. ECOSOC obviously must be free to prepare for its own purposes and the purposes of the member states of the U.N. and specialized agencies a consolidated report in the form which it considers best. It is inconceivable that such a consolidated report would leave out of the total picture such important programs as manpower training, vocational training and guidance, social security systems, and other measures designed to maintain family levels of living. My delega-

tion earnestly hopes that the Governing Body of the ILO will take another look at this particular problem.

As to the preparation of the consolidated report, the ACC suggests that it should be left to the ACC. Greatly as we value the ACC, my delegation feels that it would not be desirable to leave this matter to the ACC inasmuch as the individual appraisals will have been approved by the appropriate executive organs of the specialized agencies and, in the case of the U.N., by the Economic and Social Council. It would therefore not appear proper to exclude from the preparation of the report governments or experts appointed by the ECOSOC as an intergovernmental body.

Without setting forth a concise proposal at this stage, I should like to suggest that the Council may want to consider one of two courses at this session:

(a) The Council could decide to appoint a committee of three experts who would be asked to prepare the consolidated report during the first 3 months of 1960, it being understood that the separate appraisals would have to be ready by the end of 1959 (covering the period from January 1960 through December 1964). This report could be submitted to the ACC, which in turn would make its own observations and then transmit the report of the experts, together with its own observations, to the 30th session of the Council.

(b) Alternatively, the Council could decide on the setting up of a committee of five, consisting of two expert members to be appointed by the Council, two by the ACC, and one by the Advisory Committee on Administrative and Budgetary Questions. Here again the report would have to be prepared during the first 3 months of 1960. It would then go through the ACC to the 30th session of the Council.

Mr. President, I apologize for having taken up so much of the time of the Council with the discussion of the projected appraisal. I hope that my remarks will prove useful in clarifying the project and, above all, in emphasizing the point that, in our opinion, this appraisal is of the greatest importance to the Council, to the specialized agencies, separately and jointly, and, last but not least, to the governments which have contributed their efforts to those organizations in order to improve economic and social condi-

tions throughout the world. If well done, the consolidated report will, for the first time, give our governments and our peoples a clear idea of where we are going. It will help them to understand that what we are trying to achieve is a matter of compelling necessity if this poor old world of ours is ever to emerge into the light of reason and is ever to find firm and secure foundations on the basis of greater prosperity and greater freedom for all. The consolidated report should bring into focus the interrelatedness of all that we are doing and thereby facilitate ever closer cooperation and concerted action wherever feasible between our various organizations.

"Exercise Streamlining"

I now propose to deal much more briefly with two closely related issues—the questions of concentration of efforts or "streamlining" and the problem of concerted action.

My delegation is very much encouraged by the results achieved to date by "exercise streamlining." It is an exercise designed to attain, by constant review, greater concentration of efforts by cutting out frills and hobbyhorses and by devoting available manpower and resources to the solution of major problems. We are, above all, grateful to the Secretary-General for his excellent report entitled, "Observations on the Work Program of the Council in the Economic, Social and Human Rights Fields" (E/3134 and Add. 1). This report has already been fully considered by the Coordination Committee and I shall therefore not revert to it.

Perhaps one of the most important findings of the Coordination Committee in considering the report is contained in the second paragraph of the resolution passed by the Coordination Committee. This paragraph makes it clear that "exercise streamlining" is not primarily designed to bring about financial savings but rather to enable the Council to consider "how best to use the limited resources available . . . in the light of changing requirements." As a matter of fact, I believe it is safe to say that by achieving greater concentration of effort on major projects the chances for increased contributions from governments are improved.

As revealed in their reports before the Council, substantial progress in the streamlining of their

programs has also been achieved by the specialized agencies. UNESCO's concentration on three major projects—the extension of primary education in Latin America, scientific research on arid zone problems, and the promotion of mutual appreciation of Asian and Western cultures—is particularly noteworthy. By the same token, the great achievements of the WHO in the struggle against malaria and other endemic diseases shows that such concentration on major projects is the best way to obtain additional funds. We hope that the new emphasis on the fight against cancer and heart diseases will lead to equally telling results.

My delegation does not believe that the Council need take any additional actions at this session to encourage further streamlining efforts. These efforts have evidently achieved sufficient momentum to have a real and beneficial impact upon program making throughout the family of U.N. organizations. We assume, of course, that the agencies, through their annual reports, will continue to keep the Council informed of further progress.

Efforts to achieve a greater measure of *concerted action* are still in an early stage, but here, too, progress is encouraging. To use the language of annex I of the ACC report, we are definitely proceeding beyond a mere coordination of activities, i. e. "efforts to harmonize actions undertaken by different agencies within the framework of different programs," toward "concerted action," implying "action under a jointly conceived and unified plan aimed at the common broad objective." In the area of community development the stage of concerted action has definitely been reached. Similarly, in the field of health and nutrition the WHO, FAO, UNICEF [United Nations Children's Fund], and, to some extent, UNESCO are now engaged in concerted programs of very great importance. We hope that before long similar progress will be achieved in the area of the development of water resources and the multiple use of these resources, including the application of scientific findings obtained as a result of the arid zone studies. Concerted action undertaken by individual governments, as in the case of the Lower Mekong River Development is bound to lead eventually to concerted action on the part of the United Nations and the interested specialized agencies.

The programs involved here are obviously complex and many-sided, and therefore progress is

bound to be slow. We look to the ACC for a continuing review of programs lending themselves to concerted action, be it in the field of housing, of urbanization, of industrialization, or in any other areas.

In this connection, we note with interest the steps taken by the ACC to review its own machinery and procedures to increase the effectiveness of its contribution to the work of the Council and the specialized agencies. Considering the close interrelationship between our Council and the ACC, we hope that the ACC will transmit a report on its review to the 28th session of the Council, together with a description of its emerging structure and any recommendations that the ACC may make in the light of the review.

Smallest headway has been made in defining effective procedures for possible consultations between the governing bodies of the specialized agencies and the Council. Valuable suggestions have been made by the Executive Board of UNESCO and by the WHO, and it is to be hoped that they will serve as a basis for further discussions.

Perhaps the most important development in this respect is the appointment by the Governing Body of the ILO of a delegation which is to meet with a similar delegation appointed by the ECOSOC. My delegation and Government warmly welcome this decision and would urge that the Council in its turn appoint a group to meet with the ILO delegation at an early date. We feel confident that a free exchange of views would go a long way toward removing any misunderstandings which may exist between the Council and the ILO. Specifically, it is our hope that the contemplated consultation will result in full agreement on one of the major projects for concerted action which is the 5-year appraisal.

Peaceful Uses of Atomic Energy

There is only one further point, one which has already been mentioned by other representatives, to which I should like to address myself. This is the problem of coordination of activities in the field of the peaceful uses of atomic energy. It is a matter of deep gratification to have Mr. Sterling Cole, the distinguished Director General of the International Atomic Energy Agency [IAEA], among us to share in our deliberations. His in-

tervention yesterday highlighted the important place the IAEA holds in opening up for developed as well as for less developed countries the unlimited source of energy embedded in the atom and the new vistas the peaceful uses of atomic energy open up for the world in terms of economic development and higher levels of living.

It is fully recognized that the IAEA has the leading role in the international promotion of the peaceful uses of atomic energy; and it is important that the specialized agencies in adopting their own future programs bear this in mind. At the same time we trust that the IAEA also realizes fully the vital interest which several of the specialized agencies have in the use of atomic energy. To give only one example, the development and use of isotopes is of utmost importance both in the fields of health and of food and agriculture. The WHO and the FAO therefore would indeed be remiss if they in their turn did not do everything possible to promote the fullest use of such isotopes in their respective fields.

All this raises numerous questions of coordination, a good many of which are still unsolved. Under article XI of the agreement between the U.N. and the IAEA the latter has undertaken to cooperate in the coordination efforts of the United Nations, which under the U.N. Charter are the primary responsibility of this Council, and to participate in the ACC, which is obviously called upon to assume an essential role in the coordination of activities relating to the promotion of the peaceful uses of atomic energy. The agreements now being formulated between the IAEA and several of the specialized agencies also should prove helpful, although we agree with the distinguished representative of the Netherlands that coordination cannot be legislated and that in the long run mutual trust and understanding and practical day-to-day arrangements are likely to prove most effective in assuring coordination and the best use of available resources. In the opinion of my Government the best results will be achieved if all concerned make the most of past experience and employ methods of coordination which have proven their worth over a good many years. Such methods could include the establishment of joint secretariat units or committees, of joint expert committees either set up by the Directors General or the governing bodies of the organizations concerned, and joint intergovernmental committees.

The U.S. Government furthermore attaches great importance to the participation of the IAEA in the Expanded Program of Technical Assistance. This will not only increasingly furnish to the IAEA substantial financial means necessary in the development of technical assistance programs but will again facilitate close coordination between the IAEA and the other agencies represented on the Technical Assistance Board.

Yesterday Mr. Cole told the Council that the Board of Governors of the IAEA has already agreed that under certain circumstances the IAEA would transmit to the Council reports on its own technical assistance activities without waiting for the approval of such reports by the General Conference of the new Agency. It is very much to be hoped that a similar authority will be forthcoming which will permit the Board of Governors and the Director General to provide annually to the Council for its summer session an up-to-date report on the activities of the IAEA which are of interest to the Council and to the specialized agencies.

If the Council is to fulfill its own coordinating responsibilities under the charter, it is essential that it be kept fully informed of the relevant activities of the IAEA, most of which have as their purpose economic and social development. Without such information the Council obviously would be unable to give any guidance to the U.N. secretariat and to the specialized agencies as they develop their own programs in the atomic energy field. Such reports will be particularly useful if they contain suggestions from the IAEA regarding work that could usefully be undertaken by the specialized agencies and also the regional commissions or in cooperation with them. If the Council is provided with all the relevant information it will, we are sure, greatly contribute to an orderly development of programs in the atomic energy field and thus avoid unhealthy competition between the various agencies concerned.

One last word on this subject. My Government has noted that, probably because of the newness of the enterprise, national coordination of policies with regard to the international promotion of atomic energy is, in many cases, evidently ineffective. The result is that representatives of one and the same government speak with very different voices, whether they appear in Vienna, or in Rome, or in Geneva, or in New York. A special

effort must be made, as we see it, by all governments concerned in order to avoid confusion and much waste of time and effort.

Mr. President, let me conclude on a word of thanks to all those who have participated in our debate, and above all, to the directors general of the specialized agencies who have given so freely of their time and efforts to assist us in our labors. I know that at times we have been an irritant to them and their organizations. On occasions we have gone overboard in our demands for ever-new reviews and reports. But it seems to me that these excesses of zeal are a matter of the past.

Tremendous headway has been made not only in the coordination of activities throughout the United Nations family of organizations, but it can safely be said that their respective programs have gained in purpose, depth, and strength. Common understandings have been reached which are making for ever closer cooperation between the various parts of the United Nations system. The most remarkable thing is that all this has been achieved not by way of centralization, not by directives and orders, but by consultation and persuasion.

There is nothing greater in the world, nothing as effective, as the association of free men working together for common goals. By the same token, the United Nations and the specialized agencies have grown in strength and stature by mutually recognizing their respective functions and responsibilities and by freely combining their efforts designed to improve the lot of man. The tasks ahead of us are tremendous but we are prepared to meet them.

DEPARTMENT AND FOREIGN SERVICE

Appointments

Ray M. Hill as Director, U.S. Operations Mission to Bolivia, effective August 9. (For biographic details, see Department of State press release 465 dated August 13.)

Designations

Jeremiah J. O'Connor as Operations Coordinator, effective July 28.

THE CONGRESS

Congressional Documents Relating to Foreign Policy

85th Congress, 2d Session

Report of Activities of the National Advisory Council on International Monetary and Financial Problems, July 1-December 31, 1957. H. Doc. 404, June 16, 1958. 79 pp.

Amending Section 245 of the Immigration and Nationality Act. Report to accompany H. R. 13451. S. Rept. 2133, August 4, 1958. 5 pp.

Authorizing the Secretary of the Navy To Furnish Supplies and Services to Foreign Vessels and Aircraft. Report to accompany H. R. 5237. S. Rept. 2143, August 4, 1958. 7 pp.

Providing for the Extension of Certain Authorized Functions of the Secretary of the Interior to Areas Other Than the United States, Its Territories and Possessions. Report to accompany H. R. 11123. S. Rept. 2148, August 4, 1958. 4 pp.

Duty on Paint Roller Handles. Report to accompany H. R. 7004. S. Rept. 2164, August 4, 1958. 5 pp.

Study of Raw Materials of Soviet Union and Certain Eastern Hemisphere Countries. Report to accompany S. Res. 225. S. Rept. 2175, August 4, 1958. 1 p.

Importation of Wild Animals From Countries Where Foot-and-Mouth Disease and Rinderpest Exist. Report to accompany H. R. 12126. S. Rept. 2186, August 4, 1958. 7 pp.

Mexican Farm Labor. Report to accompany S. 4232. S. Rept. 2189, August 5, 1958. 6 pp.

Application of Domestic Marketing Order Restrictions to Additional Kinds of Imported Commodities. Report to accompany S. 2142. S. Rept. 2191, August 5, 1958. 4 pp.

Purchase of Flour and Cornmeal for Donation. Report to accompany S. 3858. S. Rept. 2196, August 5, 1958. 9 pp.

Mutual Security Appropriation Bill, 1959. Report to accompany H. R. 13192. S. Rept. 2204, August 5, 1958. 13 pp.

Trade Agreements Extension Bill of 1958. Conference report to accompany H. R. 12591. H. Rept. 2502, August 6, 1958. 8 pp.

Foreign Service Annuities. Report to accompany S. 3379. S. Rept. 2232, August 7, 1958. 4 pp.

International Health and Medical Research Year. Report to accompany S. Con. Res. 99 and S. Res. 361. S. Rept. 2233, August 7, 1958. 3 pp.

Authorizing Appropriation for Pan American Games To Be Held in Chicago, Ill. Report to accompany H. R. 13343. H. Rept. 2524, August 7, 1958. 2 pp.

Tax Protocol With United Kingdom. Report to accompany Ex. A, 85th Cong., 2d sess. Exec. Rept. 2, August 7, 1958. 3 pp.

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Check List of Department of State Press Releases: August 11-17

Press releases may be obtained from the News Division, Department of State, Washington 25, D. C. Release issued prior to August 11 which appears in this issue of the BULLETIN is No. 457 of August 8.

No.	Date	Subject
458	8/11	United Arab Republic credentials (rewrite).
†459	8/11	U.S. policy on nonrecognition of Communist China.
*460	8/11	DLF loan to U.S. firm in Paraguay.
*461	8/11	Investment guaranty contract with W. R. Grace and Co.
462	8/12	GATT consultations on quantitative restrictions.
463	8/12	Dillon: OAS Inter-American Economic and Social Council.
464	8/12	Dulles: "Disarmament, the Intensified Effort, 1955-1958" (printed in BULLETIN of Aug. 25).
*465	8/13	Hill appointed USOM director in Bolivia (biographic details).
466	8/14	Venezuela credentials (rewrite).
467	8/14	Letter to Vice President from Argentine Foreign Minister.
468	8/14	Dulles: 10th anniversary of Korean independence.
†469	8/16	Smith: "The Mutual Security Program: A Fight for Peace."
470	8/15	Asian water-resources experts to tour U. S. (rewrite).

*Not printed.

†Held for a later issue of the BULLETIN.

Correction

BULLETIN of August 11, 1958, p. 233: The date at the end of Premier Khrushchev's letter should be July 19, 1958, rather than July 9, 1958.

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